





## OVERSEAS NEWS

## Italian Left claims 'vendetta' against opera officials

BY PAUL BETTS

THE CRESCENDO of arrests of leading Italian opera officials in the last 48 hours is expected to be only the overture of an unsavoury scandal with wide-ranging and melodramatic political repercussions.

Italy's Left-wing forces, including the Communists and the Socialists, sharply condemned today the decision of a Rome magistrate to charge some 40 opera directors and musical agents with alleged corruption in the selection of performers.

Among those charged are leading personalities of the Italian musical establishment, like the

artistic director of the Rome Opera House, Sig. Gioacchino Lanza Tomasi, and the artistic director of the Academy of Santa Cecilia, Sig. Francesco Siciliani. The arrests have hit most of the country's major opera houses and seriously threaten the current season.

Sig. Tomasi, who was one of the first to be arrested, was provisionally released late last night by the Rome Magistrate, Sig. Nino Fico.

The left-wing parties and leading cultural circles here claim that the arrests were in part motivated by the "vendetta" of some performers who have un-

successfully tried to make it to the top of Italy's lofty, baroque and sometimes venomous world of the bel canto, as well as the bureaucratic blundering and questionable political manoeuvres.

After a meeting chaired by the artistic director of La Scala, Sig. Carlo Maria Badini, the Italian Opera Managers Association fiercely attacked the current legislation forbidding opera houses in Italy to hire singers through agents.

Clearly, they claim, it is impossible to keep up with international standards without going through agents. They called for

urgent amendments to the existing legislation which they consider is utterly unrealistic. The magistrate for his part retorted he was only enforcing the law introduced about 10 years ago as a control on the world of the opera, which last year received some £700m, or £40m, from the Government.

The charges reportedly include allegations of "pay-offs" and illegal capital transfers abroad. Some performers claimed they had to pay money to agents and to artistic directors to be able to perform in certain theatres.

What has caused a particular hullabaloo are charges that Italy's

fiscal police force, the Guardia di Finanza, apparently tapped the telephones of several leading figures of the Italian musical establishment.

The left-wing parties claim that since the country's leading opera houses have come under left-wing managements—following the advance of the Communist Party in several regions and municipalities—reactionary forces on the right of the ruling Christian Democratic party and the neo-fascist MSI party have unleashed a campaign against the opera, mainly foreigners, and modernise the operatic and musical life of the country.

Moreover, the policy of popularising the traditionally elitist world of the opera has been the source of excessive controversy. Trade union members, for example, no longer have the benefit of "special nights" at opera houses like La Scala in Milan.

Rome, which is currently going through a musical renaissance of sorts, appears to have been the main target of this political attack.

At the same time, there is growing exasperation over some of the extravagant fees top performers, mainly foreigners, are paid by State-subsidised opera houses.

Nonetheless, one of the biggest causes of public resentment is the way in which the police have executed the arrests at a time when they have seemingly

clues about the terrorists who killed Sig. Aldo Moro, the former premier, last month. In the circumstances, as one musical critic remarked, have best followed Figaro's warning to the eloping couple in the fairy-tale ending of the 1777-78 commedia, "piano, piano, senza far tanto baccano"—and kept a lower profile.

## Inflation figures improve in U.S.

BY JUREK MARTIN

WASHINGTON, June 2. THE PRICE of food rose less sharply at the start of the year in May compared with the preceding months, according to Government statistics released today.

At the same time, there was a slight increase in the unemployment rate, but it was less than in the market continued to expand, with a further 500,000 added to the labour force.

The inflation statistics at least represent slightly more encouraging news than that received by the market from earlier this year. The Producer Price Index for finished goods, successor to the old wholesale price index, rose by 0.7 per cent in the month, appreciably less than the 1.3 per cent increase recorded in April. The consumer food component only went up by 0.5 per cent, under April's 1.9 per cent advance and the smallest monthly rise so far this year.

The Administration has been hoping for some relief from the food sector, though it still expects the consumer price returns to May to be little, if any, better than April's 0.9 per cent increase. However, in May fresh fruit and vegetables, pigs, sugar, poultry and some other commodities, with some individual commodities, such as lettuce, dropping sharply in price. Beef prices, a source of particular concern at present, continued to rise.

Non-food sectors continued to show substantial increases. The consumer durables index went up by 1.2 per cent in the month, while less than half the April advance, is a large rise by any standards. Overall, the not food index increased by 0.8 per cent.

With inflation now the dominant economic concern, unemployment figures are attracting much less attention. The slight rise in the jobless rate is May is not entirely unexpected since the decline in unemployment over the first part of the year has been uneven. The Administration had expected the Labour Department to report today that the rise in the labour force in May meant that it had now exceeded 100m for the first time.

The prime few major changes in the principal demographic and social classes. The unemployment rate for adult males remained at 4.2 per cent, while for adult women rose to 6.1 per cent from 5.8 per cent. There was another small fall in the rate of teenage unemployment, to 16.1 per cent from 16.5 per cent in the previous month, but more black teenagers (38.4 per cent) were out of work.

## Citibank raises prime rates

By David Lascelles

NEW YORK, June 2. CITIBANK, New York's largest bank, finally fell in line with the recent rise in prime rates by increasing its rate by 1 per cent to 8 1/2 per cent.

The move came exactly a week after other major US banks increased their rate. Citibank uses its own formula to assess interest rates, and it claimed earlier that conditions last week did not justify an increase then.

The whole banking community has now responded to the tighter credit conditions imposed by the Federal Reserve Board.

Mr. William Miller, the Fed Chairman, commented in a speech yesterday that the Fed's actions had pushed up short-term interest rates. But he claimed that long-term interest rates, which are more sensitive to inflationary pressures, had risen.

## A Hotel of Stars

Count your lucky stars... you've found a 5-star hotel right in the centre of charming old Amsterdam. The Amsterdam Marriott, in all 400 rooms, individual air-conditioning, minor and colour TV (with free in-room movies), 24-hour room service, plus two popular restaurants and a lively lounge. Ultimate in comfort and convenience. You'll thank your lucky stars you found us.

Amsterdam Marriott. Stadouders'ade 21, Amsterdam, Holland. Phone: 020-865151. Telex 15087.

London Sales Office 01-4935592. Or call your local Supranational office.

## U.S. embassy in Moscow stumbles on bugging post

MOSCOW, June 2. U.S. SECURITY men burst in on a Russian inside a secret electronic listening post after crawling down a tunnel discovered under their Moscow embassy, informed sources said today.

The startled technician was sealed in from a bank of consoles and fled when the Americans entered, they said. Details of the dramatic encounter emerged after a Washington announcement last night that the United States had protested to the Soviet Union over bugging of the embassy.

Official spokesmen in Washington and at the embassy here said that bugging devices were found in the building earlier this week. But details provided by various sources indicated that the alleged Soviet eavesdropping operation was one of the most extensive ever uncovered by a Western embassy here.

The State Department disclosure was made after U.S. diplomats learned that word of the find had reached an American correspondent in Moscow.

Official reluctance to say more about the affair was apparently due to concern about its impact on relations between the two countries, which are strained over Soviet intervention in Africa and its disregard for human rights. Washington and Moscow are also at a critical phase in the negotiation of a new treaty limiting strategic arms.

One American diplomat told a reporter informally that the Russians could easily suspect a deliberate American leak designed to embarrass them at a time when the two countries are exchanging constant criticisms of each other.

The sources said the tunnel led from the bottom of an old chimney shaft in the U.S. mission's south wing to a nearby Soviet office and apartment building. Some of the bugging equipment, which included a dish-shaped receiving and transmitting device, was found inside the shaft. So was an aerial with wires leading from it into the wing's embassy staff apartments.

One informant said the discovery was made after a routine security check of a fifth-floor apartment revealed a wire behind a radiator. Security men traced the wire and found the tunnel.

A different account came from another source who said the old chimney shaft was found by chance during refurbishing work. The chimney runs up an outside wall where the eight-storey embassy wing adjoins a Soviet apartment block. It was this neighbouring building that housed the listening post, the sources said.

The south wing, with the embassy's scientific section and apartments for secretaries and other junior staff, is not as sensitive as other parts of the building.

But U.S. officials were understood to be worried that the equipment was used to monitor the central part of the embassy, where its political and military sections are situated.

The U.S. mission has been involved in several bugging scares since the Second World War. Including reports two years ago of supposed radiation detected in the building. Reuter

## SPANISH BANK'S ADMINISTRATION TAKEN OVER

## Reassurance for depositors

BY ROBERT GRAHAM

IN A SURPRISE move Spain's second largest bank, Banesto, today took over the administration of the medium-sized Banca Coca, controlled by the Coca family. At the same time Banesto issued a statement guaranteeing the money of all Coca's depositors and clients.

The decision was taken yesterday as a result of a series of top-level meetings between the two banks, and with the approval of the Bank of Spain.

It comes only a week before the formal merger between the two banks, announced last December, is due to take place.

According to Banesto, the takeover of the administration and guaranteeing of deposits of Coca is distinct from the legal aspects of the merger.

Banesto is understood to have been obliged to take this action because of evidence of a withdrawal of deposits from Banca Coca in recent days. The withdrawal appeared to be related to revelations that inspectors from the Ministry of Finance were investigating property deals in Malaga by companies with which Banca Coca is allegedly involved, and further publicity following the charging of three men with alleged breach of foreign ex-

change regulations involving Pta 651m (\$8.1m).

One of the men charged, Sr. Enrique Minarro Montoya, was until recently senior board member of Banca Coca.

Banesto on Wednesday issued a statement denying any involvement in breaching exchange control regulations and insisted that the various investigations being carried out in its activity were solely designed to finalise its proposed merger with Banesto.

Banking sources say it is too soon to speculate on how Banesto's action will affect the state of its merger with Coca. Under the terms of the merger

already approved by the shareholders of the two banks, the Coca family will become the largest single shareholder with approximately 8 per cent of Banesto's equity. Sr. Ignacio Coca is also due to become vice-chairman.

Banesto in March had total deposits of Pta 518m, and Coca deposits of Pta 420m. The merger would make Banesto once again the leading Spanish bank in deposit terms—a position that was wrested from it by its rival Banco Central last December when the latter merged with another family bank, Banco Iberico. Central now has deposits of Pta 555m.

MADRID, June 2.

## W. German jobless total falls below 1m

BY ADRIAN DICKS

UNEMPLOYMENT in West Germany fell below 1m during May for the first time since last October. The number of people out of work fell by 37,432 to 912,987, while the unemployment rate declined from 4.4 per cent in April to 4 per cent. It was 4.2 per cent in May 1977.

Publication of the May unemployment figures coincided with that of revised figures for industrial new orders in March, showing that there was a rise of 4 per cent rather than of 0.5 per cent as originally reported. During April, according to preliminary figures, new orders rose by a further 0.5 per cent.

The West German Government expressed its satisfaction for industrial new orders in March, showing that there was a rise of 4 per cent rather than of 0.5 per cent as originally reported. During April, according to preliminary figures, new orders rose by a further 0.5 per cent.

Another heartening feature of the May figures, he said, was the 10 per cent drop in the number of young people out of work.

Nonetheless, the Government is not claiming any fundamental improvement in the employment situation. Herr Josef Stinnes, head of the non-political Federal Labour Office, said that "as encouraging as the decline is, it opens no prospect of cyclical improvement. We must view the economic outlook rather sceptically."

BONN, June 2.

White much of the drop in unemployment is clearly seasonal, the sharp decline in short-time working is above all the result of the return to normal during May following from the disruption caused all over Germany by the strikes and lock-outs in the Eiden-Wuerttemberg engineering industry pay dispute.

The revised March order figures were in part due to inclusion of several large export orders, by comparison with which new export orders in April were down by 5 per cent. Domestic orders in April, however, showed a 3 per cent increase, while the two months March/April showed an overall rise in new orders of 2 per cent from January/February.

While it remains difficult to draw firm conclusions from the indicators about the real economy, the President of the Bundesbank, Dr. Otto

Ulm, expressed confidence yesterday that growth of at least 3 per cent can still be attained this year, and added that an annual rate of as much as 4 per cent might even be reached in the second half.

The most recent survey of business opinion by the Munich-based Ifo Institute, carried out in April, reports that most companies felt the climate had not worsened, while export prospects were viewed a little more favourably despite the currency turbulence of the early spring.

## Two Renault plants occupied by strikers

BY DAVID CURRY

A SERIES of strikes over the past few days, both union-organised and wildcat, has broken the atmosphere of industrial peace which has reigned in France since the March general election.

Although the strike action has so far been limited to the Vosges textile region where the threat to employment caused by the problems of the Bouscage group has already provoked a series of strikes and demonstrations.

The CFTU union has now issued a general call for the occupation of any plant which is threatened by closure during the interim regime of the court-appointed managers.

There is spasmoidic difficulties over manning levels among the Paris regional transport network, but the two main unions at the State-owned electricity authority, the CGT and the CFTU, staged a walk-out, claiming that the Government's plans to recapitulate heat lost from power stations for district heating and to generate electricity by what is monopoly over power generation.

The state of strikes comes as the two sides of industry are due to begin this year's round of wage negotiations within the framework of the Government's incomes policy. This seeks to limit increases to 5 per cent, adequate to cover the higher cost of living. With this in mind the Government has just imposed a 3 per cent pay rise on the Civil Service to compensate for inflation so far this year.

workers in the plant could be threatened. The unions are trying to spread the strike through the plant but the company claims that they are not having much success.

There is also likely to be mounting trouble in the Vosges textile region where the threat to employment caused by the problems of the Bouscage group has already provoked a series of strikes and demonstrations.

The CFTU union has now issued a general call for the occupation of any plant which is threatened by closure during the interim regime of the court-appointed managers.

There is spasmoidic difficulties over manning levels among the Paris regional transport network, but the two main unions at the State-owned electricity authority, the CGT and the CFTU, staged a walk-out, claiming that the Government's plans to recapitulate heat lost from power stations for district heating and to generate electricity by what is monopoly over power generation.

The state of strikes comes as the two sides of industry are due to begin this year's round of wage negotiations within the framework of the Government's incomes policy. This seeks to limit increases to 5 per cent, adequate to cover the higher cost of living. With this in mind the Government has just imposed a 3 per cent pay rise on the Civil Service to compensate for inflation so far this year.

PARIS, June 2.

## S. African exiles 'being trained as terrorists'

BY QUENTIN PEEL

SECURITY POLICE in South Africa believe about 4,000 black exiles are undergoing "terrorist training" in other African countries. According to reports here, a large number of "alleged terrorists" have been captured while returning to South Africa "armed" with Communist weapons.

The estimates were revealed today by Brigadier C. F. Zietsman, chief of the security police, who said training was being carried out in Angola.

JOHANNESBURG, June 2.

Mozambique, Tanzania and Libya. His statement followed earlier reports that 300 people are in detention in South Africa for security offences. They will be charged in 67 forthcoming trials under the security and terrorism laws.

In an interview with the Rand Daily Mail, Brigadier Zietsman blamed the upsurge on the mass exodus of black refugees following the outbreak of Soweto riots in June, 1976. Training was limited to two or three months, he claimed.

## Franco-Chad units inflict severe damage on rebels

BY OUR OWN CORRESPONDENT

UP TO 500 French combat troops, along with 1,200 to 1,500 soldiers of the Chad army, have taken part in battles over the last few days against rebel Frolinat forces in the central African state of Chad.

Reports reaching Paris suggest that the Franco-Chad ground support aircraft have inflicted severe damage and may have wiped out an 800 to 1,000-strong Frolinat force in the region of Ati, some 450 km north-east of the capital, N'Djamena.

Frolinat, which is back by Libya, controls the northern half of the country, and it is thought that the battle was provoked by a Frolinat attempt to break through the rough defensive line, sealing off the capital from the rebel-held area.

It was reported that the French lost one Jaguar aircraft in the fighting. No casualty figures on the Government side have so far emerged, though over recent weeks the French are thought to have lost six men, killed by Frolinat action.

PARIS, June 2.

## THE HUNT FOR NAZI WAR CRIMINALS

## A photographic trail in Brazil

BY DIANA SMITH IN RIO DE JANEIRO

country with a visa from the day. The participants were photographed. Several weeks later the photograph of one of them, a slightly-built dark-haired middle-aged man, was categorically identified by Simon Wiesenthal in Vienna as Gustav Franz Wagner, of Sobibor.

Immediately Brazilian police and Press began to hunt Wagner. Last Tuesday he gave himself up at a Sao Paulo police station. Surprisingly, the white-haired, powerfully-built man, who identified himself as Gustav Franz Wagner, bore no resemblance whatever to the photograph identified by Wiesenthal. However, his particulars allegedly matched those of the ex-deputy commandant of Sobibor.

All week as Wagner's every move and word has been recorded by the media, many observers have been reminded of Hanna Arendt's phrase "ordinary men do not know that all things are possible."

The sighting of Gustav Wagner's arrest was a televised confrontation with one of the few survivors of Sobibor, expected.

Wagner was formally requested Brazil to extradite Gustav Wagner. The West German embassy in Rio de Janeiro has already handed the Brazilian Foreign Ministry a copy of a warrant for his arrest, and asked for priority to be given to extradition proceedings.

An interest in his extradition has also been expressed by Austria, where Gustav Wagner was born, and Poland, where he served in the SS. They have not lodged official requests.

reporters from the Rio de Janeiro newspaper Jornal do Brasil, Wagner's arrest was a televised confrontation with one of the few survivors of Sobibor, expected.

Wagner was formally requested Brazil to extradite Gustav Wagner. The West German embassy in Rio de Janeiro has already handed the Brazilian Foreign Ministry a copy of a warrant for his arrest, and asked for priority to be given to extradition proceedings.

reporters from the Rio de Janeiro newspaper Jornal do Brasil, Wagner's arrest was a televised confrontation with one of the few survivors of Sobibor, expected.

**ART 9'78**  
Basel 14 - 19 6 1978

THE INTERNATIONAL ART FAIR.  
Swiss Industries Fair Basel, from 10 a.m. to 8 p.m., admission Sfr. 7.-, after 5 p.m. Sfr. 5.-

مكتبة الأصيل







HOME NEWS

# Redpath goes into offshore design market

BY RAY DAFTER, ENERGY CORRESPONDENT

BRITISH STEEL Corporation's off platform building subsidiary, Redpath Dorman Long, has set up a new company with French and U.S. associates to enter the offshore design market.

Mr. David Waterstone, Redpath's chairman, said yesterday that the new company, Redpath Offshore Design Associates, was already bidding for a major design and fabrication contract for the Enecho Field production platform in Brazil.

If the bid were successful, it would be the first time that Redpath's metal yard in Fife, Scotland, would be worth millions of pounds.

Redpath Dorman Long's part in the new venture is the offshore designers Lowell Johnston and Associates of Tulsa, Oklahoma, responsible for design of the Brent A and Auk production platforms in the North Sea and Technip-Geoproduction of Paris, the field development offshore of the French Institute of Petroleum.

Redpath Offshore marks a further development in the widening interests of Redpath Dorman Long. In April the company joined the Dutch De Groot undertaking to operate the Methil yard under the name Redpath De Groot Caledonian.

# Whitehall spending rose at year-end

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

PUBLIC SECTOR borrowing figures for the first three months of this year tentatively confirm evidence of a pick-up in Government expenditure towards the end of the 1977-78 financial year.

The rise in spending does not appear to have been any greater than expected, yesterday's Central Statistical Office figures show the public sector borrowing requirement for 1977-78 to have been £5,585m, or £133m less than the provisional estimate made in the Budget report.

The small difference apparently is explained by an adjustment to National Savings interest payments.

The figures highlight the rise in public sector borrowing during 1977-78. The total for the January to March quarter of £1,381m, on a seasonally adjusted financial year basis, was £570m higher than in the previous three months.

The Central Statistical Office suggests that there may have been some erratic movements in recent quarters, notably on local authority borrowing.

PUBLIC SECTOR BORROWING REQUIREMENT	
	£m
1975-76	10,583
1976-77	8,582
1977-78	5,576
1977-78 1st	1,371
2nd	924
3rd	1,105
4th	1,974
Seasonally adjusted, constrained to financial year totals	
Source: Central Statistical Office	

# Electric vehicle studies may be funded by EEC

BY TERRY DODSWORTH, MOTOR INDUSTRY CORRESPONDENT

STRONG INDICATIONS that the EEC will be prepared to fund development work on electric vehicles have been given to the newly established European Electric Vehicle Association.

Mr. John Woods, chairman of the UK's Electric Vehicle Association, which has been the main force in establishing the European organisation, said yesterday that the Commission would probably back suitable research projects for companies or groups of companies.

The Commission has already had a significant role in helping to establish the European manufacturers' association, partly because the organisation of the industry is rudimentary outside the UK.

The Commission's backing, which is coming through the industry department under Viscount Etniene Davignon, would also help the European producers to face up to the competitive challenge coming from other parts of the world.

Investment in electric vehicle production has received much more central government support in both Japan and the U.S. than in Europe, and motor companies in these two countries are also putting more funds into this area than their European counterparts.

# TANZANIA'S EXPULSION OF LONRHO 'Tiny' Rowland faces an African storm

BY MARGARET REID

LONRHO'S latest annual report stated that the Government had insisted on Arab management, and that the parties were negotiating for a settlement.

Lonrho's prospective expulsion from Tanzania follows a shift over recent years in the relative balance of the group's interests in Africa, Britain, Europe and elsewhere, with the proportion in Britain rising strongly.

While in 1975, East and Central Africa accounted for £215m of Lonrho's £600m of turnover, with Britain, Europe and certain other areas contributing only £181m, the pattern had greatly changed.

Last year, out of much increased sales of £1,265m, East and Central Africa contributed a little changed £221m, while Britain accounted for as much as £507m and Europe and certain other areas for £377m.

Lonrho activities in Tanzania only make up a limited part of the group's African business, but the list of its interests there shows that motor distribution and textiles are important.

Its concern with Africa, however, has continued strongly and within the last year or so has brought an action against leading oil companies in connection with alleged oil supplies to Rhodesia.

It was alleged on Lonrho's behalf in a High Court hearing that the oil companies had broken a 1952 agreement to supply Rhodesia with oil exclusively through Lonrho's pipeline between the Mozambique port of Beira and Umtali.

The report on the group two years ago by Department of Trade inspectors—who were appointed after the 1973 Boardroom row and Mr. Edward Heath's reference to the company as the "unacceptable face of capitalism"—had some remarks to make about sanctions.

In one passage the inspector said: "We do not accept the company's submission that Lonrho has not been able to control the Rhodesian operation. It appears to us from the evidence... that the directors in London have exercised a measure of control over Lonrho's copper mining activities in Rhodesia."

We accept, however, that there is nothing in the sanctions legislation which requires Lonrho to divest itself of its Rhodesian assets.

At another point the inspectors report stated: "On the basis of the evidence available to us, it is our opinion that Mr. Rowland was at the times indicated more closely involved in matters relating to the financing and in consequence the development of the Inyati and Shimrock copper mines in Rhodesia than was consistent with the terms of UK sanctions legislation."

Statements by Lonrho afterwards strenuously contested the findings in the report, which are now referred to in the Tanzanian newspaper, the Daily News.

In the concluding sentence, the inspectors said: "We believe that Mr. Rowland has a great deal to offer Lonrho and its shareholders but his achievements will be all the greater if he will allow his enthusiasm to operate within the ordinary processes of company management."

More Home News, on Page 22

# Tory attack planned on Wales Bill

By Robin Reeves, Welsh Correspondent

A key element in the Government's Welsh devolution plans—the re-organisation of Welsh local government by the proposed Cardiff assembly—will virtually certainly be deleted from the Wales Bill in the Lords, Lord Eton, Conservative spokesman on Welsh affairs, said in Cardiff yesterday.

He repeated the pledge of Mr. Francis Pym, chief Opposition spokesman on devolution, that given success in an autumn general election, a Conservative government, though opposed to Welsh devolution plans, would still hold the proposed referendum—provided the Wales Bill was on the statute book.

Lord Eton said while there might be a case for a review of local government, the widespread Conservative feeling was that the proposed Welsh assembly, which he saw as a "large local authority," was not the right body to do it.

The Cardiff body would be "hyposcopic," having drawn as much power as possible from Westminster it would aim to gain further power at the expense of existing local government. The task ought to be carried out by a "national" review body, which would consider the implications for the UK as a whole. The Welsh assembly would do the job "with its back to Offa's Dyke."

# Swiss in talks on tax rules

DISCUSSIONS have been held between officials of the UK and Swiss governments about a new double-taxation convention.

The convention will cover the estates of deceased persons, inheritance and gifts to replace the death duties on the Swiss estate, which was abolished in 1958. Further discussion will take place in Switzerland.

In spite of this, Rothmans International is one of the most important parts of the Rupert empire, and is an extremely successful company.

Its profits took a dive in 1975 and there have been occasions when its high balance sheet—gearing—brought about by the way the company was run together in 1972—have been a source of concern to the stock market.

In the last few years, however, profits have moved ahead impressively, and Rothmans has been one of the major beneficiaries of EEC-led changes in UK tax.

These changes have given a big boost to the price competitiveness of king-sized cigarettes compared with the smaller brands. During the transmission to an EEC-style tax structure,

# Beware of Labour's silver lining—Howe

BY PHILIP RAWSTORNE

SIR GEOFFREY HOWE, Conservative Shadow Chancellor, last night warned the country not to be misled by the Labour Government's economic "silver lining."

Twelve months from now, prices would be rising again, the economy near stagnation and the fall in unemployment ended, he told a Tory meeting in Kirtlington, Oxford.

"The fundamental problems in Labour's record suggests that they have begun to understand what needs to be done."

A Labour Government with a majority would only make things a great deal worse.

For a vote for Mr. Callaghan is a vote for Mr. Benn; for more nationalisation and for less enterprise, for more equality and for less opportunity.

"A Labour Government is a vote for an increasingly sick economy."

The British people should not be lulled into torpor by Labour's brief pre-election boom.

Conservative Government could work with the trade unions, Sir Geoffrey said. But it would have to question some of their attitudes.

It would have to go on urging

# £83m board mill scheme opens

AN £83m EXPANSION project which will treble the capacity of Thames Board Mills Duplex Mill at Worthington, Cumbria, was inaugurated yesterday by Mr. Eric Varley, Secretary of State for Industry.

Mr. Varley said he regarded the project as a new investment in the timber industry, and a significant step in the development of the mill, which had been in operation since 1940, saving Britain nearly £3m a year on the balance of payments.

Just as important was the fact that the Government was prepared to contribute up to £28m to the project, in the form of a selective financial aid.

He said the mill would provide 250 jobs directly and 250 more in forestry and transport, plus others in civil engineering and manufacturing.

The project, valued at £83m, will produce 100,000 tonnes of board in 1980, rising to 150,000 tonnes by 1982, saving Britain nearly £3m a year on the balance of payments.

# Oxford Fellow to settle Post Office hours claim

BY CHRISTIAN TYLER, LABOUR EDITOR

THE GOVERNMENT has called in a leading industrial relations observer to settle a dispute over a claim for a 35-hour working week by Post Office engineers.

Lord McCarthy, a fellow of Nuffield College, Oxford, has been asked by Mr. Eric Varley, Industry Secretary, to conduct a special review of the dispute after the breakdown of negotiations.

Industrial action since last October after a conference decision of the Post Office Engineering Union has meant that 65,000 people are waiting for telephone connections in the country. 3,000 of them in London. Equipment worth £7m is lying idle and installation of another £40m-£50m worth of equipment has been delayed.

The Government's announcement yesterday comes on the eve of the union's conference in Blackpool which on Tuesday is due to debate the campaign for a shorter week. The issue is separate from wages and the union has been offered a stage guidelines for July 1. Mr. Varley is due to address the conference tomorrow.

It also comes at a time when unions are backing demands for a cut in the 40-hour standard week for manual workers as a way of creating jobs. The Government is aware that any concession to Post Office engineers could be pursued quickly by other public sector employees.

The Union of Post Office Workers said last week it would want the same treatment.

The Department of Industry said that recommendations made by Lord McCarthy "would of course have to be subject to the pay policy ruling at the time."

Under the present stage of incomes policy, reductions in working hours have to be set against the limit or achieved by way of self-financing productivity schemes. The Post Office Engineering Union has rejected these stipulations.

Lord McCarthy's terms of reference are to establish how the union and Post Office positions can be reconciled, and to promote and procure "and to speed settlement of this dispute."

# Firemen's 42-hour week talks adjourned

By Nick Garnett

NEGOTIATIONS BETWEEN employers and fire service union officials on detailed proposals for implementing a shorter working week were adjourned last night with both sides still a long way apart. The talks will be resumed next Friday.

Local authorities, however, are being advised to start recruitment of firemen towards the levels needed for the introduction of a 42-hour week rather than the existing 45-hour week.

Mr. Brian Rushbridge, secretary of the employers' side, said after the talks that this was done as a sign of "good intent. We are embarked on a course that will lead us to an agreement."

The employers are still insisting on a three-shift system rather than the existing two which the Fire Brigades Union has maintained must be kept.

There are also disagreements on fire cover planning including manning standards, use of appliances, holiday and duty cover.

Mr. Terry Parry, the union's general secretary, said the two sides were still a long way apart.

The employers have watered down their proposals on non-fire fighting duties which they say must be increased to make more cost-effective use of firemen's time.

# NALGO leader denies 'sellout'

BY PAULINE CLARK, LABOUR STAFF

MR. GEOFFREY DRAIN, one of the top six TUC negotiators, denied yesterday that any "sell out" was contemplated in recent talks with Ministers about what should follow Phase Three of the current pay policy.

He said this speculation was "wholly false" and misconceived.

Mr. Drain, general secretary of the National and Local Government Officers' Association, was leading off a militant motion at the union's special town hall workers' pay conference in London. Scottish delegates had urged outright confrontation with the Government in current pay negotiations.

Delegates rejected by a hefty card vote majority (350,594 votes to 187,711) the motion to ignore the Government's 10 per cent pay guidelines in current wage negotiations.

About 445,000 town hall workers are due for settlement on July 1. Their acceptance to the Phase Three guidelines is seen as a crucial last hurdle for the Government in the current wage round.

The Glasgow District Branch submitted the motion which referred to a joint trade union and Government proposal to impose permanent control on wage bargaining in the public sector. Mr. Drain said that a "great bogey" had been reared on a flimsy basis.

It had to be recognised that the Government would take a view on pay prospects and would want it to stick in the public sector. But trade union leaders had merely asked the Government not to concentrate only on wages when determining how to ward off inflation.

The delegates, who rejected the Glasgow motion after being warned by the union's executive that it would inevitably involve Government interference in wage bargaining in the public sector and its use of the group as an economic regulator.

# Hospital electricians to meet Ennals on pay

BY PAULINE CLARK

UNION LEADERS representing about 6,000 hospital electricians are to meet Mr. David Ennals, Secretary of State for Social Services, next week in an effort to prevent a strike over a pay claim.

The Electrical and Plumbing Trades Union gained backing for industrial action over a six-month overdue claim for parity with electrical contractors at a special delegate conference in London yesterday.

Although the Government has rejected the claim as being in breach of the 10 per cent pay guidelines, the electricians plan to stop work at selected hospitals from June 19 and to take additional action in other hospitals.

The action, planned by both electricians and plumbers, is expected to close some hospitals including possibly some of the major teaching hospitals.

Mr. Peter Adams, the union's national officer responsible for the health service, described the Government's attitude to the claim as "discriminatory and unfair."

# Bank dispute continues

WORKERS in a dispute at the Bank of England's note-printing works in Loughton, Essex, will not decide until Tuesday whether to call off industrial action which has stopped distribution of notes for two weeks.

The workers, members of the Society of Graphical and Allied Trades, held a mass meeting yesterday, expecting management to talk to the non-union workers and persuade them to join.

A union spokesman said that the workers, who want a closed shop, would need at least a guarantee that there could be no repetition of friction between union and non-union workers.

But the Bank seemed ready in considering giving them a post-entry closed shop.

# Brewery bonus restored

By Philip Bassett, Labour Staff

ALLIED BREWERIES will resume productivity bonuses of 26.30 a week for 1,100 workers at the Ansell's brewery in Aston Cross, Birmingham, from Monday. An agreement was reached yesterday with the Transport and General Workers' Union, of the stoppage.

The payments were stopped last month when the company said there had been no real improvement in productivity to justify the money. About £200,000 was paid between September and the time of the stoppage.

# Mersey urged to boost image

BY RHYD DAVID, NORTHERN CORRESPONDENT

A MERSEYSIDE charter for industrial relations aimed at improving the area's reputation with potential investors is one of a series of recommendations in a report by consultants for the Department of Industry.

The study was commissioned last year to look into the chronic unemployment problems of Merseyside. It concludes that the area's reputation for poor industrial relations is now firmly established whether true or not.

Industrialists are also wary of alleged absenteeism, lateness, low productivity, deliberate over-manning, demarcation and lack of flexibility.

The Merseyside industrial relations charter—possibly drawing in heavily the CBI and the TUC—would in part aim to expose the joint determination of unions and management to stop any such abuses and to work within agreed procedures to deal with problems.

Eighteen months ago Department of Employment figures put Merseyside at the top of a league table of militancy as the most strike-prone area of the country.

The figures showed the number of working days lost in different parts of the country.

Even after adjustments to take into account the strike-prone industries like the docks, mining, the water industry and shipbuilding in some areas, Merseyside still had two and a half times the national average of days lost.

The report remains a major part of the Merseyside economy and, though never likely to recover its former importance, is in need of large-scale modernisation, says the report.

A continuing decline in oil and non-oil trade is forecast and the labour force, too, is expected to fall by 5 per cent up to 1980.

An early start on modernising facilities to produce a smaller, more efficient port operation is urged. This would boost employment, encourage the workforce and help re-establish the confidence of shippers.

## NEWS ANALYSIS — DR. RUPERT'S EMPIRE

# Success behind a smoke screen

BY RICHARD LAMBERT AND ANDREW TAYLOR

THE NEWS that Rothmans International is poised to acquire for cash a substantial holding in a sister company, Rothmans of Pall Mall Canada, means a rare appearance in the headlines for one of the world's most powerful and secretive industrialists—Dr. Anton Rupert, who heads the multinational Rembrandt Group of South Africa.

Dr. Rupert organised the formation of Rothmans International in 1972, when his substantial European tobacco businesses were joined together around Carreras of the UK.

His interests now control 50 per cent of the votes in Rothmans International, a group which in the year just ended could have earned profits of about £75m before tax.

In addition, Rupert interests also include almost 50 per cent of the Canadian Rothmans, which earned £254.5m (£121m) after tax in the year just ended.

Rothmans is Canada's second biggest tobacco business—behind BAT—and it also has a 50.1 per cent stake in Carling O'Keefe with breweries in Canada and Ireland, together with investments in wine production and oil and gas operations.

Dr. Rupert claims that the Rembrandt Group is the fourth largest cigarette manufacturer in the world, but he is more than a tobacco baron.

Rembrandt is also among the world's ten largest brewery and distillers, has major African mining interests, and last year acquired a 30 per cent stake in Volkskas, South Africa's third largest bank. Rupert interests also have a significant holding in the large U.S. conglomerate, Liggett and Myers.

The most successful Afrikaner businessman was trained as a chemist at the University of Pretoria and after five years as a lecturer began his business career in the early 1940s when he began a small pipe tobacco business in Johannesburg.

Links with Rothmans started in 1948 when he won a concession to manufacture several of Rothmans' cigarette brands.

Published information from Rembrandt gives few clues as to how the group has progressed from this modest base in its present size. The most recent report and accounts, just 16 pages long, shows profits before

tax of £97.5m (£82m) and pretax profit of £110m.

For example, there is no mention at all of Rothmans in the document or of any other subsidiary. Unlike Anglo American, under section 410 of the South African Companies Law, does not give any details of its foreign interests.

In spite of this, Rothmans International is one of the most important parts of the Rupert empire, and is an extremely successful company.

Its profits took a dive in 1975 and there have been occasions when its high balance sheet—gearing—brought about by the way the company was run together in 1972—have been a source of concern to the stock market.

In the last few years, however, profits have moved ahead impressively, and Rothmans has been one of the major beneficiaries of EEC-led changes in UK tax.

These changes have given a big boost to the price competitiveness of king-sized cigarettes compared with the smaller brands. During the transmission to an EEC-style tax structure,

Rothmans market share in the UK has jumped from around 6 per cent to well over 10 per cent.

But like virtually all the major tobacco companies round the world, the group has been talking for years about the need to diversify away from tobacco.

It has been slower to make this step than other tobacco majors, like Imperial Tobacco, but also in national terms it was the biggest ever single investment project in the board.

Last year, tobacco interests accounted for over half of Rothmans of Pall Mall Canada's pretax profits, with the liquor business providing the bulk of the remainder.

In addition the Canadian group has a patchy financial record with erratic swings in profits in recent years. One of the big problems has been in brewing in the US.

The company has now extracted itself from the trouble—some Carling National Breweries by selling its interest to—guess who—another Rupert company.

In yesterday's preliminary announcement of the latest bid discussions, Rothmans said that

مركز الأمل



فكنا من الأصل

## THE WEEK IN THE MARKETS

## Gilts drift down

DEALERS drifted back with reluctance to the Stock Market on Tuesday after the sun-soaked holiday week-end, and by yesterday they must have been wondering whether their diligence was worthwhile. Equity business has been at a very low level, and the 30-Share Index has drifted off by just under a point over the four trading days. The gilt-edged pitches continue to be much more gloomy, moreover, and the Government Securities Index has hit new 1978 lows on three days out of four. The politicians, at least, have been taking a week off, and the City continues to fear a long, hot and uncomfortable summer while the Government plots its election strategy and ignores financial disciplines.

## LONDON ONLOOKER

## BP unimpressive

British Petroleum's first quarter net income of \$80.6m compared with \$144.8m failed to impress the market which had pushed the price 14p higher to 800p just prior to the release of the results. But the price crumbled immediately profits were announced and closed on Thursday at 788p—a gain of only 2p on the day. The price continued to weaken on Friday and closed at 785p. The first quarter figure of \$80.6m was at the lower end of a range of estimates by leading analysts. The principal differences arose because of difficulties in establishing an underlying profit trend: BP's accounting systems are extremely complex. Also there had been some over-estimation of the contribution from the North Sea and problems in anticipating the movement in sterling and the impact value changes have on results.

## Reed's problems

Shareholders in Reed International could draw some comfort from the preliminary results announced on Thursday. Although the evidence of the group's problems was there in full measure—extraordinary losses of £41.5m compounded by an exchange loss of £30m—the thrust of the report was that trading was encouraging and that things were slowly on the mend. The shares put on 8p over the week to 124p and this was

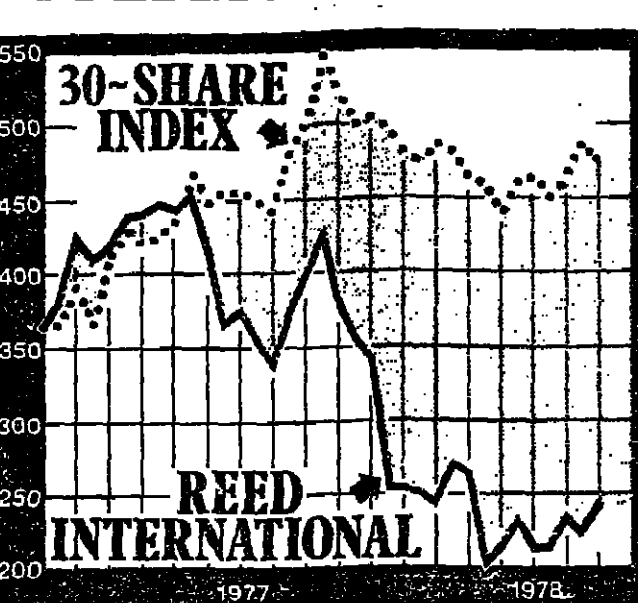
after initial enthusiasm had pushed the price at one time to around 130p.

The management was clearly out to convey that Reed's large problems were in hand and it bolstered this impression by stating that the reduced dividend of 8p for 1977-78 (against 13p last time) would be repeated for the current year. The chairman added that the pruning and re-organisation of Reed's Canadian interests—measures which cost the company £23m last year—were taking effect and that this area was now moving steadily back towards profit. Reed's main problem remains debt—an unfortunate quantity of it in strong currencies.

## Swan Hunter

Swan Hunter this week revealed that its shareholders are going to have to wait for the cash distribution it promised in its last annual report. The group is apparently planning to put its parent company into voluntary liquidation followed by a distribution to shareholders of some of the cash currently in the balance sheet plus the compensation due from the nationalisation of its shipbuilding interests last year. Shareholders would then get a distribution of shares in the continuing business interests.

The group which announced its interim results this week is now saying that these plans will have to be postponed. Swan Hunter and its financial advisers Samuel Montagu and S. G. Warburg said: "That it would not be appropriate or opportune to proceed with the reconstruction until the problems of the UK ship repairing business have been resolved."



It could be several months at least before shareholders will be given full details of how much cash will be taken out of the business for distribution but it is thought that funds approaching £20m—or around 100p a share—currently available for distribution even before taking into account the compensation due.

## Northern's shares

The possibility of a large placing of Northern Foods' shares became clear when the group published its interim results this week. It appears that the Samworth family, which will be entitled to a total of 8m Northern shares on completion of the Pork Farms takeover, will probably only be holding on to around 3m. According to Mr. David Samworth, chairman of Pork Farms, the decision whether to accept NF's cash alternative instead of the other 5m shares will depend entirely on how the Northern shares move over the next few weeks. Assuming something like a 7 per cent. placing discount, this would mean that the

## In an optimistic mood whatever the figures

A THREE-DAY holiday week-end appears to have been just what the New York Stock Exchange needed to shake off some of the worries which weighed down the market last week.

Trading volume, averaging 28m-27m shares a day, has been substantially lighter than of late but the general tone of optimism about stocks remains and was not the slightest bit shaken by the publication on Wednesday of April's consumer

Though stocks will not plummet neither are they yet ready to make another substantial leap, says Goldman Sachs. This is because there are still too many uncertainties about the timing and extent of the next downturn in the business cycle, the base rate of inflation is too high, Government tax policy deters equity ownership and the value of the dollar is too difficult to compute.

Goldman, as this column noted last week, is recommending institutional clients to cut back the equity holdings by 5 per cent and in common with many other brokerage houses is stressing that this is a market for stocks which means any stock at the right price rather than any price for the right stock. Industry groups now being most commonly recommended include beverages, broadcasting and newspapers, drugs and hospital supplies, office equipment, retail trade, savings and loans, tobacco and airlines.

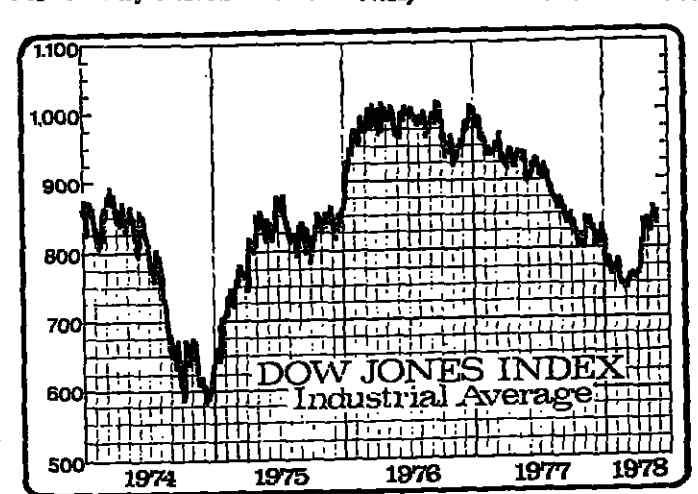
Much credit for the market rally which began on April 12 has been given to foreign buyers of U.S. stocks and the first preliminary report on the extent of foreign purchases has been produced by the Securities Industry Association. SIA

	Monday	Tuesday	Wednesday	Thursday	Friday
Close	834.20	840.61	840.70	847.54	847.54
Change		+2.51	+6.41	+0.09	+6.84

## NEW YORK JOHN WYLES

price figures showing an annual rate of increase of 10.8 per cent.

Some investors were disposed to take some comfort from the double digit pace since the figure was lower than the most alarmist had expected. The news had, anyway, been discounted by the market which decided to avert its eyes and add 6.41 to the Dow Jones Industrial Average. Such behaviour tends to strengthen some analysts' conviction that in the present market cycle the industrial average reached its low in February and that, therefore, the subsequent recovery is likely to endure. Goldman Sachs says in its portfolio strategy for clients that the Industrial's low of 742 in February will probably not be revisited first because the recovery of the last few weeks has almost certainly helped persuade investors that equity investment "is not a one way street" and secondly the speed of the recovery was such that many investors with large cash positions were left standing and are now waiting for a period of retrenchment in order to climb aboard.



## MARKET HIGHLIGHTS OF THE WEEK

	Price	Change	1978	1978
	Yday	Week	High	Low
Ind. Ord. Index	475.5	-0.6	497.3	433.4
Exchange Rate 100 £/\$	924	-18	942	924
Allied Colloids	80	+7	90	61
Copper-Nickel	76	+6	76	53
Comerco	65	+8	66	45
East Drie	748	+40	768	589
Fluoride Eng'g	77	+25	82	52
Home Charm	175	+17	175	100
Investment Trust Corp.	246	+28	246	174
Leigh Interests	171	+14	184	134
Melody Mills	90	+10	91	68
Newey	62	+9	62	40
Northern Mining	112	-20	153	9
Nova (Jersey)	50	+10	50	24
Ocean Wilsons	103	+9	107	68
Pentos	89	+7	89	69
Property Partnerships	120	+30	122	64
Siebens (UK)	380	-57	444	226
Whitely (B. S. & W.)	36	-4	46	36
Wigfall (H.)	213	+20	276	146

## U.K. INDICES

	Average	June	May	May
	week to	2	26	19

## FINANCIAL TIMES

Govt. Secs.	69.83	70.31	71.03
Fixed Interest	71.64	71.95	72.30
Ind. Ord.	476.2	473.4	479.7
Gold Mines	154.4	153.9	151.1
Dealings mtd.	4,686	4,979	5,516

## FT ACTUARIES

Capital Gds.	214.03	211.90	273.84
Consumer (Durable)	195.84	193.79	197.10
Cons. (Non-Durable)	202.80	201.31	204.93
Ind. Group	211.25	209.39	211.39
500-Share	234.81	233.11	235.16
Financial Gp.	164.47	164.79	168.04
All-Share	216.13	214.87	217.24
Red. Debs.	57.32	57.40	57.80

## UNITED STATES GROWTH FUND

Since mid-April share prices on Wall Street have staged a sharp recovery. Whether this upturn in the market represents a brief rally only, or whether it heralds the beginning of a sustained bull market is difficult to determine at this time. Even so, it is our firm belief that the market is now towards the lower end of its present cycle and that, even if the consolidation seen in recent days continues, the scope for capital gains is substantial in the medium term.

Although there are still a number of major problems within the U.S. economy, these have been largely discounted in the present level of share prices, and many shares are still selling at comparatively low levels in relation to companies' underlying assets and earnings. We therefore believe that Wall Street continues to be in a position to record an impressive performance. Furthermore, we believe that Save & Prosper United States Growth Fund with its portfolio carefully selected from the growing areas of American industry is a particularly attractive way to invest in the U.S. market.

## United States Growth Fund

U.S. Growth Fund was launched in 1964 and is now valued at over £38 million. By investing in the fund you can obtain a far wider spread of investment than you could readily obtain on your own behalf, as well as benefiting from Save & Prosper's long experience of the U.S. market and currency management.

## Past performance

Since the launch, the fund's offer price has increased by 114%. This compares with a

rise of 25% in the Standard & Poors Composite Index (151% when adjusted for exchange rates and investment currency fluctuations). As can be seen from these figures, changes in exchange rates and in the investment currency premium can affect the value of your investment as much as stock market fluctuations. An investment in this fund should be regarded as a long-term one. Remember the price of units and the income from them can go down as well as up.

## About Save &amp; Prosper

Save & Prosper Group was founded in 1934 and in addition to being Britain's largest unit trust group is a major force in the life assurance, pensions and annuities field. At 1st January 1978 the Group managed £875 million on behalf of more than 700,000 investors.

## How to invest

To make a lump-sum purchase, please complete and return the coupon below together with your cheque. You will be allocated units to the full value of your remittance at the offer price ruling on receipt of your application. The minimum initial investment is £250. On 1st June 1978 the offer price of units was 80.4p giving an estimated gross yield of £0.55% p.a. If you require any further information on the fund, we suggest you consult your professional adviser, or contact our Customer Services Department at the address given in the coupon below. Advisers requiring further details should contact Save & Prosper Services on 01-831 7601.

## GENERAL INFORMATION

Trusts are set up to provide a portfolio invested in the shares of U.S. companies. Income is not a consideration in managing the fund.

Units are sold by the fund. Units may normally be bought and sold on any working day. However, in exceptional circumstances the Managers reserve the right to suspend price quotations pending their evaluation.

And to sell. The Managers will normally buy back units from registered holders, free of commission, at not less than the bid price calculated on the day your instructions are received. In accordance with a resolution approved by the Department of Trade, they may also be sold back through an authorised agent who is entitled to charge commission. Payment is normally made within seven days of our receiving a completed certificate.

Safeguards. The trust is authorised by the Secretary of State for Trade, and is a "white-listed" investment under the Trustee Investments Act, 1961. The Trustee is Bank of Scotland who holds the title to the trust's investments on behalf of the unit-holders. Charges. The offer price currently includes an initial service charge not exceeding 5%, and a rounding adjustment not exceeding the lower of 1% or 1.25p. Out of this, commission of 1% (plus VAT where applicable) will be paid to banks, stockbrokers, solicitors, accountants and qualified insurance brokers on applications, between their return in addition to a half-yearly charge, out of which Managers' expenses are paid. This charge is currently 8.5p per £100 on which 9% VAT is payable making a total deduction of 9.25p per £100.

## Application for a lump-sum purchase of US GROWTH FUND UNITS

Save & Prosper Securities Limited, 4 Great St. Helens, London EC2P 3EP. Tel.: 01-554 8888. Registered in England No. 708725. Registered Office as above.

To purchase units please complete and return this form, either directly to your bank, stockbroker, solicitor, accountant or qualified insurance broker, together with your remittance. We will acknowledge receipt of your application and remittance and will normally despatch a certificate for the units within 14 days. Cheques should be made payable to "Save & Prosper Securities Limited". The offer is not available to residents of the Republic of Ireland (except amounts of remittance).

Please issue to me United States Growth Fund units to the value of £  calculated at the offer price ruling on receipt of this application. (Minimum initial purchase £250, £50 for subsequent purchases.) A remittance is enclosed.

My Name  Agent's Stamp

Block Capitals Please

Address

I declare that I am over 18 and am not resident outside the UK or other Scheduled Territories and that I am not acquiring the above units as the nominee of any person resident outside these Territories. (If you are unable to make this declaration it should be signed and the form lodged through your UK bank, stockbroker or solicitor.)

Signature  Date

Existing United States Growth Fund unit-holders please tick here: ☐ For Office Use Only ☐ 423/FT/1

If you would like distributions of income to be reinvested in further units please tick here: ☐

If you would like details of the Share Exchange Plan please tick here: ☐

## SAVE &amp; PROSPER GROUP



## Schroder Overseas Fund

INITIAL OFFER CLOSES 13th JUNE

**WHY AN OVERSEAS FUND?** To enable UK investors to share in the growth of major overseas economies—such as the United States of America, Germany and Japan; economies which have proved themselves capable of sustained growth in the past.

**WHY IS NOW A GOOD TIME TO INVEST?** We believe there is considerable scope and potential for capital growth through investment in shares of leading companies throughout the world. Many assets, equity prices do not fully reflect the underlying strength of their respective economies.

**WHY THE SCHRODER OVERSEAS FUND?** The Schroder Overseas Fund will be managed by Henry Schroder Wegg & Co. Limited, one of Britain's largest, longest established and most international merchant banks. Schroder Wegg's overseas experience, both at home and overseas, has been built up over many years and is reinforced by a strong network of international connections. Schroder Wegg's investment experts use world-wide communications systems, backed by large research departments, to keep abreast of investment markets throughout the world. Schroder Wegg is a subsidiary of Schroder's Limited, the holding company of the Schroder Group, a public company whose shares are listed on the London Stock Exchange. The Schroder Group is an international organisation with interests covering a wide range of financial services in some 28 different countries, including the United States of America, Germany, Japan, Hong Kong, Switzerland, Australia and Canada. Schroder's reputation for financial services by many international commercial and industrial organisations and investment funds. The investment funds managed by the companies in the Schroder Group are valued at £1,000,000,000.

**INVESTMENT OBJECTIVE AND POLICY** The Fund Managers' investment policy is for the Schroder Overseas Fund to be invested throughout the world, with the emphasis being placed on the investment of long-term capital growth. However, when considered to be appropriate, the Fund Managers will be prepared to place all or part of the assets of the Fund on deposit. In order to preserve the capital value of the Fund. The Fund may invest in any overseas equity market—either directly or indirectly through appropriate investment vehicles managed by overseas associates of the Fund Managers. With these wide powers of investment, the Fund Managers can use their experience and knowledge of overseas equity markets to best advantage. No-one can guarantee the performance of a Fund of this type. The price of units can go down as well as up, and the performance of the Fund should be regarded as a medium to long-term investment. However, Schroder's reputation for financial services by many international commercial and industrial organisations and investment funds. The investment funds managed by the companies in the Schroder Group are valued at £1,000,000,000.

**HOW TO INVEST** You can invest in this new Fund by effecting a Schroder Overseas Bond, which is a long-term investment policy issued by Schroder Life Assurance Limited, which is a member of the Schroder Group. The application form below and send it to us with your cheque—no stamp necessary. Please ensure that the cheque is payable to "Schroder Overseas Fund". The Fund will be invested in the initial unit offer price of 100 pence. Thereafter, payments will be made at the appropriate offer price.

This advertisement is based on the Company's interpretation of present law and is not intended to constitute an offer of investment. The Company cannot accept responsibility for the content of this advertisement.

## APPLICATION FORM

To: Schroder Life Assurance Limited, FREEPOST, Portsmouth, Hampshire PO1 1BR

Have you ever had any serious disease or specified illness? (If yes, please specify the illness and the date of onset.)

Are you in good physical and mental health and free from the effects of any previous illness or accident?

If "NO" please give details on a separate sheet.

Signature  Date

This offer is not available to residents of Eire.

Schroder Life Group



## FINANCE AND THE FAMILY

## Covenant to daughter

BY OUR LEGAL STAFF

I covenanted to pay my daughter £350 a year until her education finished, which it did last July. She married the previous July and her husband is in regular employment. The Revenue have now refused to pay back the basic rate tax because she is married, though her local authority grant was based on my income, not her husband's. Are they correct?

From what you say, section 36 (2) of the Finance Act 1976 entitles your daughter to a repayment of tax suffered on her income of the year 1976-77, since it did not exceed £735 (and she was married during that year). She should give notice of appeal against the refusal of her claim, as soon as reasonably possible.

If she has any further difficulty, she may like to write to us direct. A copy of (or verbatim extract from) the tax inspector's letter will be helpful, if he sticks to his refusal and states his precise grounds.

## Re-couping the premium

Do I conclude from your remarks under Recouping Premium (April 22) that it is regarded as part of the £40,000 one may now transfer abroad on emigration and not in addition to it? Does the £40,000 have to be taken out within a prescribed period? Does it have to go to the country where one is living?

Reclaim of the investment currency premium in the circumstances we described would imply using part of the emigration allowance. The allowance can be transferred over a period and need not be taken to a particular country.

## Genuine joint account

You have stressed recently that joint accounts must be genuinely operated by both joint owners in order to avoid having to apply for probate. My wife and I both earn and each pays money into a joint account for housekeeping purposes, but I write all the

cheques and withdraw cash. Would it therefore be necessary to apply for probate, given that it would not be for other assets on our estates?

We think that the account which you describe will satisfy the requirements to fall within the category of a genuine joint account. However, it would be wise to take the precaution of having some cheques drawn on the account by your wife henceforth so that any question of the account's not having been operated as a joint account may be scotched.

## Earth piled against fence

My neighbour piles up earth against my fence, despite my protests. What legal remedies have I?

Legally your neighbour is not entitled to use your fence as a retaining fence for his soil, or to damage your fence. You would have a cause of action against him in trespass and in nuisance and could apply to the County Court for an injunction. However, you will bear in mind that the cost of applying to the Court may be disproportionate to the amount involved in the dispute.

## Non-deductible cost

I have had my house retiled to an unsatisfactory standard. If we do the necessary work to put it right ourselves, could we deduct from the moneys due the price that another contractor would have charged for doing the work? If we decide not to have further defects remedied until such time as they cause trouble, could we deduct the notional cost of the work required?

You can do the work and deduct the cost of the materials, but not your own labour (or sue for the balance). But you should not wait too long to act, as your claim may be difficult to establish at a later date. After six years (without acknowledgment) both your claim and the builder's claim for the price will be barred.

## Children's income and tax

I have two children aged 12 and 14, who live with my ex-wife who has re-married. By Court Order, I pay maintenance of £624 p.a. for each child but no tax is deducted at source from these payments. Additionally, the children have incomes of about £350 p.a. each, being interest on money which I invest for them. This interest is subjected to tax at source. Can you advise what is the tax position for the children and whether it is possible to make a repayment claim for the tax so deducted?

We cannot answer your question without knowing the origin of the children's invested funds. Provided that no part of their funds originated (even indirectly) from either (a) yourself or (b) their mother or their stepfather, then income tax repayment claims can be submitted on each child's behalf for the balance of personal allowances, etc. If their funds do not satisfy this stringent test, however, then their income may well be taxable as either (a) your own or (b) their stepfather's, as the case may be, under section 437 of the Income and Corporation Taxes Act 1970.

## An advisable will

My will leaves my estate (£70,000) in trust to my wife for life and then to my two children. (a) Is this advisable in the light of CTT? (b) Do you advise a division of my assets 50/50 between my wife and myself? (c) If so, I shall transfer the non-matrimonial property (£20,000) from myself to my wife as a gift. What will the stamp duty be? and what do I state on form 19 in place of the words "for the consideration of £..."? (d) What would be required in written form to establish words of severance, in order that my wife could become a tenant in common and so by will pass her share in the property to the children?

In the absence of full details of your fiscal position we can only advise in very general terms. However: (a) The formula used in your present will is unlikely to be advantageous in present circumstances.

(b) A division of assets with your wife is advisable. It may be that a division in proportions other than 50/50 could be more useful—this would depend on your wife's assets and age, and on the ultimate destination of assets. Sample sums worked out with other fractions will help you decide. (c) Stamp duty will be based on the current value and must be adjudicated. If the value is below £20,000 and a certificate of value at that sum given in the transfer no stamp duty will be payable. The words to be substituted are: "In consideration of the natural love and affection of the transferor for the transferee." (d) ... to hold the same as tenants in common in equal shares in equity.

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

## Disturbance from cattle

A gable of my house abuts a field and in inclement weather the cattle therein often shelter against the wall, banging it and dislodging stones and, at night, disturbing us. Have I a remedy?

You may have a claim in nuisance for the damage to the wall, provided the dislodging of stones is not contributed to by want of repair of the wall. We think that you would not have any basis on which to claim damages or seek an injunction for the disturbance of occupiers of the house.

DISCUSSING home contents insurance a few weeks ago I asked the question—would you rather face, an increase in the rate of premium that you pay (perhaps in the order of 20 per cent to 25 per cent) on a substantial excess (of £50 or so which would leave you having to meet not only small claims but part of larger claims out of your own pocket)? This question is perhaps theoretical rather than real because premium increases and excesses are underwriting measures which insurers are more likely to use in combination rather than in the alternative.

Most major insurers charge 12½ pence per cent for buildings cover and 20 pence to 25 pence per cent for contents insurance: these rates are for the best risks and you pay a lot more if you have a thatched or cedar roof or a flat in the North West postal district of London. But it is possible to pay lower prices than these and a new contract introduced at the beginning of May by National Employers Mutual—its Home Economy Plan—cuts out many of the frills that the modern household package provides, but still affords basic material damage cover, fire, theft and so on, at rates well below current market prices.

N.E.M. will be charging 8 pence per cent for buildings, 15 pence per cent for contents, but before you rush to buy I must add that insurers have set a minimum premium of £10 for the provision of either buildings or contents cover. You should also note two main restrictions: you have to pay the first £25 of each claim and you have to accept an under-insurance clause which entitles

## Not so simple

insurers to pay proportionately on any claim if at the time of the loss the sum insured does not equate with the full value of the property at risk. I am constantly hearing it said by brokers—not the large national ones who try to avoid handling personal insurances, but the smaller provincial and high street firms—that modern house contracts are now far too complicated and moreover far too expensive to sell to the

## INSURANCE

JOHN PHILIP

ordinary householder. Their cry is for greater simplicity and lower rates, although I am not certain that they accept that this logically involves a reduction of cover.

If these brokers are right and there is a real demand for cheaper basic household cover then N.E.M. should attract a deal of business, and other insurers may well introduce similar economy contracts.

With the sun blazing down these last few days many people must have thankfully dismissed from their minds the rain and floods of the last few months. But all the evidence coming from the main house insurers is that on the domestic buildings front there was a tremendous surge in the number of claims notified in the first quarter of the year, by about 50 per cent or more.

What this involves in claims

costs cannot yet be quantified but some of the published comments accompanying the insurers' first quarter provisional trading results underline the unhappy winter that insurers have had—first the extra losses due to the firemen's strike and then the hard winter.

Both have provided increased pressure for the rating changes, in price and cover, on domestic buildings so long predicted but still not implemented.

On the contents side insurers make most of their payments on fire and theft claims. Individual companies' experience must vary considerably but most reckon to spend up to 80 per cent of their claims outgo under these two headings: it is significant that at the present time three-quarters of this amount, getting on for 60 per cent of total expenditure, is now spent in settling theft claims that arise particularly in London and the other major urban areas. The writing seems on the wall that urban and suburban policyholders will soon have to pay a lot more for their contents insurance than they do now.

One of the features of many modern contents policies is the provision of "New for Old" cover: individual companies' practice varies but this cover is normally provided for furniture and other consumer durables with a low rate of depreciation, for a given period from date of purchase and perhaps for a maximum of five years.

From the policyholder's point of view this cover has been and still is an excellent buy because the extra premium required by

insurers, if the cost is not in fact absorbed in their rising structure, is usually in the range of 10 per cent to 20 per cent extra on the basic price.

"New for Old Cover" has been widely sold now for much of the 70's and, individually, the insurers have now begun to assemble from the claims they have paid a deal of statistical evidence that in times of substantial inflation such cover has recently experienced that the premium loadings have not been sufficient to cover claims costs.

Many hold the view that despite index linking, which gives insurers as well as policyholders protection against inflation, that the provision of New for Old Cover is, contrasted with the indemnity type insurance (where a depreciation is taken into account), demands something in the region of double the normal rate—50 pence per cent as opposed to 25 pence per cent. Incidentally, looking closely at the N.E.M. new Home Economy plan, I see that the contents cover is provided on the old style indemnity basis and does not include any payment new for old. With a contents rate of 15p per cent N.E.M. could scarcely do otherwise.

So perhaps I should end with a reminder of what indemnity means on a contents claim. It does not mean, as so many people think, insurers taking the original purchase price, making deduction for wear and tear and then paying a small sum which has no relation to current replacement cost. Quite the contrary; the starting point of indemnity is current replacement cost of an article of similar quality; from this cost insurers make deduction for wear and tear having regard to the age and use of the article lost or destroyed; and they then pay the resulting amount.



## Trials of travelling to work

ONE OF the Inland Revenues for the hospital related to emergency cases. The hospital would telephone him at home. He cannot be "deducted." This slightly odd jargon stems from the concept embodied in the tax law applying to employees earning £7,500 or over (£8,500 from April 6 1979 if the Finance Bill survives), which makes liable to tax all reimbursements to an employee in respect of expenses he has incurred in and about his employer's business. He is then entitled to deduct travelling expenses necessarily incurred, and other expenses incurred wholly exclusively and necessarily in the performance of his duties.

The home to office rule is strict, but there have been taxpayers who have proved in the courts that all rules must have exceptions. In this area we all want to be exceptional, so let us take a close look at one who has shown the way.

A Dr. Owen (another one), had a part time employment in the late 1960s with a hospital in Haverfordwest, although he lived 15 miles away in Fishguard, and it was in the latter town that he was mainly occupied—he was in general practice there.

When he claimed his travelling expenses to Haverfordwest and back, and had his claim rejected, he appealed to the General Commissioners of Income Tax. He proved in front of them that all his duties

nor that he might be called on or might volunteer, to give advice on the telephone. Lord Wilberforce said that there are persons who hold positions of importance who carry their responsibilities with them wherever they are: they too may be called to their offices after working hours, and may give instructions or advice before departure. But this does not mean that they have more than one working place.

It is this concept of two working places that is at the heart of the matter. If Dr. Owen was a hospital employee engaged in the duties of his hospital appointment when he answered the telephone, then his claim succeeded. His car journey became travel in the performance of his duties which had already commenced.

But it must be understood that for this to be the position it is an absolute requirement that the employer accepts that he has engaged an employee who "works" at and from home. It is also a requirement that this be "necessary". If the employer has two possible candidates for the vacancy, one local and one distant, and the local one is entirely able to perform all the relevant duties on the employers premises, that of itself shows that it is not "necessary" that the distant candidate be engaged. The work to be done is at home, and the travelling from home, by that distant employee

could not therefore be "necessary."

In another, later, case Lord Reid approved in the House of Lords what Lord Wilberforce had earlier decided. Lord Reid's comments are always worthy of attention. He was quite clear that it was not intended that just any employee be entitled to deduct travelling expenses between his and his other place of work. What he said distinguished Dr. Owen's case from that there was a part-time employment, and that it was impossible for the employer to fill the post otherwise than by appointing a man with commitments which he would not give up. It was therefore necessary that whoever was appointed should incur travelling expenses.

The possibility that Dr. Owen could have given up his practice in Fishguard to go and live in Haverfordwest was only a theoretical one: the reality of the situation was that he contracted on the basis that he would continue to live in Fishguard and be paid expenses of travelling. He would not have contracted on any other basis. And it was impossible to find an appointee who was free to avoid incurring travelling expenses. Lord Reid said so.

The non-deductibility of home to office expenses still remains one of the Revenue's strictest rules.

## TAXATION

DAVID WAINMAN

## APPOINTMENTS

## PERSONAL FINANCIAL PLANNING

## 2 Regional Directors

for a rapidly growing and respected Financial Planning and Assurance Broking company which is backed by a publicly quoted group. Two Associate Directors are to be appointed in London and Manchester respectively.

• THE key role is to build business in tax planning and mitigation arrangements and to advise individuals with significant means—usually through their professional advisers. The direction of a team in the region will also be involved.

• TOP quality sales and management experience in the Life and Pensions market is essential, with the ability to contribute to the development of sophisticated proposals in this and associated financial fields, sometimes breaking new ground, and employing the highest ethical standards of practice.

• REMUNERATION negotiable into five figures, with profits participation and a Service Agreement.

Write in complete confidence to A. Longland as adviser to the company.

TYZACK & PARTNERS LTD

MANAGEMENT CONSULTANTS

10 HALLAM STREET LONDON W1N 6DJ

12 CHARLOTTE SQUARE EDINBURGH EH2 4DN

## Development in the dry season

THE DRY season is about to start in the Northern Territory of Australia. The floods following the heavy rain of the wet season seep away, the rivers cease flowing. Over the coming months it is the Australian Government's hope that construction will start at the rich uranium deposits of the region.

The hope this week began to change into reality when the Parliament in Canberra passed a package of six bills setting out the conditions for the development of an Australian uranium mining industry.

Arguably it was the most important event in the 1978 Australian mining calendar, the most significant step taken on uranium since Mr. Justice Fox, almost exactly a year ago, produced a framework in which the Government could proceed with uranium mining while caring for the special interests which would be affected by it.

But there was one thing missing from the legislative structure—and that was the power to establish a uranium export authority, along the same lines as the Canadian Atomic Energy Board. Mr. Doug Anthony, the Deputy Prime Minister, jumped over the gap when he told Parliament that he would exercise control over sales contracts.

The Bills have not passed through without a struggle. The states have been anxious to preserve their rights and tricky constitutional issues have been raised. This was reflected by Mr. Anthony when he said he would not proceed with legislation on the export authority until there had been consultations with the states.

Given all the speculation about the future of the uranium mining companies, it is a little surprising that the market reaction to Parliament's action has been at best lukewarm. The explanation probably lies in the technical state of the market.

For more than a fortnight there was a heady boom in prices and the spirit of the 1960s days of 1968-71 seemed pervasive. This continued into the first half of this week. After that there was a pause as the market consolidated and investors in some of the more speculative issues took their profits.

This latter period started just as the Australian Parliament was pushing the six Bills through, and, in the event, the technical factors governing the market's movements proved more important than the sub-

stance of political developments.

But there is another point. Now that the Bills have passed, the attitude to companies solely dependent on uranium like Pancontinental is changing. Investment is becoming more closely linked to potential earnings than to airy aspirations and projections.

It is a natural development now that the anguished Australian debate on whether uranium deposits should be developed at all draws to a close. But while this debate has been waged—and it has lasted since the early 1970s—Australia's competitors in the

## MINING

PAUL CHEESERIGHT

international uranium market have been expanding as quickly as they can.

Further evidence of this came in the annual report of General Mining, the South African mining finance house built on Afrikaner financial interests. General Mining is clearly on the verge of bringing a new deposit in Namibia (South West Africa) to production.

Mr. W. J. de Villiers, the chairman, stated that at the Langer Heinrich deposit near Swakopmund a prospecting trench had been excavated partly to provide ore for a pilot plant. This is part of the process "to determine the optimum design parameters for a future recovery plant." Meanwhile, marketing and financing investigations continue.

General Mining produces about 26 per cent of South Africa's uranium and its mines account for about 18 per cent of the national gold output. These two minerals provided 14.5 per cent of the group's attributable income last year, a slightly smaller portion than in 1976.

But the breadth of its interests has widened since it took a controlling interest in Union Corporation, its tentacles stretch into the corners of the South African economy and it is now second only to Anglo American among the major South African mining finance houses.

Despite this, the group's confidence about results for 1978 is muted. Mr. de Villiers would go no further than saying that they "should once again be satisfactory."

This is hardly surprising in view of the problems he listed: weak demand for asbestos and chrome ore, overcapacity in the international ferro-alloy industry and the low level of capital work which is affecting industrial subsidiaries.

He is no doubt finding some compensation in the movements of the gold price, which this week climbed \$5.50 to \$185.375 an ounce. The rise in the price over 1977 helped the results and the market has since remained firm. But all is not well in the gold industry.

Mr. de Villiers urged both the State and the industry to examine the high rate of production costs. He alluded to the possibility of a decline in the number of mines able to produce gold profitably. Possible unemployment resulting from the closure of mines and the decrease in foreign exchange earnings are particularly important," he stated.

It was a warning of trouble to come. Productivity has declined and in 1977 the gold mines administered by General Mining had overall costs of R218.58m (£139.29m) compared with R166.29m in the previous year.

The costs phenomenon is not peculiar to the South African

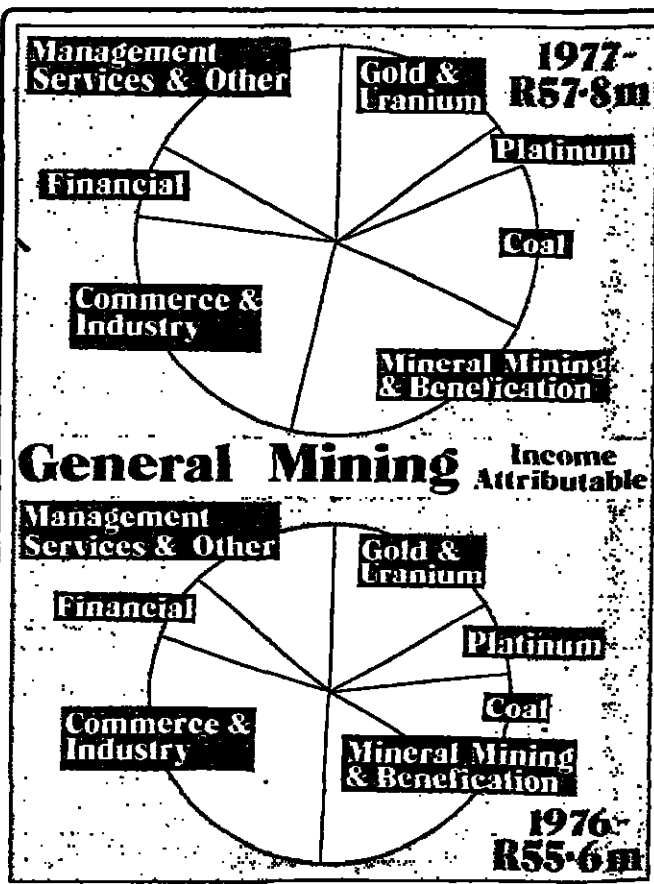
mining industry. It is a factor which has made investment policy more cautious and will retard general recovery when the strains of recession ease. In Canada, at least, recovery looks as if it is some years away.

Mr. Mervyn Upham, the president of the Mining Association of Canada, told the annual meeting in Ottawa that there will be two or three more difficult years. It would be in the early to mid-1980s that the better times would come.

For all that, he was encouraged by the underlying strength for a broad range of minerals. Demand was not increasing in all cases at the high rates of a decade ago, but the fundamental strength was evident.

If there is one section of the industry which has been unaffected by the general gloom, it is diamonds. This week De Beers Consolidated announced that it would spend R39m (£24.8m) on a scheme to treat the accumulated dumps at four of its Kimberley mines.

This will extend the life of the mines to about 20 years. The idea is to use the more exact recovery techniques which have developed over the last ten years to find diamonds in the waste which has built up since the turn of the century.





## YOUR SAVINGS AND INVESTMENTS

## Easing the heartache

covers everything from the first marriage preparations to the last day of a honeymoon. The whole policy costs £9.50 for two and for this you will be insured against a number of risks. Wedding costs up to £500 will be paid if the bride or groom, their parents or "near relatives" (this means brothers and sisters) are sufficiently seriously injured so as to postpone the happy occasion.

Thrown in with the same premium you get protection, again up to £500, against damage to wedding presents and loss of wedding and/or engagement rings. Incidentally, it's no good if a guest drops his gift en route to the church—so make sure you hand over that valuable set of Waterford glasses before they break. Then there's compensation if something happens to the wedding snaps—up to

Anyone who can show just cause why this insurance policy cannot be paid in full...



£500 while medical costs against the sickness or expenses of up to £500 per death of bride and groom. For person will also be paid the privilege, you will pay 1/2. Thoughts of macabre accidents seldom spring to mind when sum. On top of that, you can marriage is being considered but the policy also takes into participants, such as brides-account death (a £5,000 lump sum in the case of the husband (£1,000 in the case of the wife), loss of a limb or eye (same figures) and disablement (£20 a week for the husband, £10 for the wife).

Another, less comprehensive and little-known policy has been available for 20 years from a firm of sub-contract brokers Adam Brothers. Underwritten by a Lloyds syndicate rates here are usually negotiable and there are no limits to the amount of cover which can be taken out. The basic policy will insure all "unrecoverable

## INSURANCE

TIM DICKSON

£25 for loss or "destruction" of official photographs or negatives. Hardly enough to pay for a reconstruction, with full supporting cast, of what, after all, is a day most of us hope will only happen once! What's really impressive about this policy, however, is that cover extends to the honeymoon—there may, of course be a moral in that! Personal money and luggage, for example, is in-

## Destroying some myths

SMALL FUNDS perform better than large ones. Unit Trusts provide the investment expertise necessary to outperform the market. Income funds do better than capital funds. Last year's losers are this year's winners. These are some of the guidelines put forward for choosing a particular unit trust for your equity investment. And they have no basis in fact according to an article in the latest issue of Management Decision written by Michael Firth, a lecturer in accounting at Stirling University.

To understand fully his article on unit trust performance you need to hold an honour degree in mathematical statistics. But his first contention is that the usual form of league tables for performance, based solely on the past returns is spurious, because it does not take into account risk. He then develops a highly sophisticated method of measuring performance in-

LOCAL AUTHORITIES and the Inland Revenue are both much maligned organisations, but the first at least can offer a reasonable return on a cash investment. And investors can look upon such an investment as virtually as sound as a gilt stock.

Investment in local authorities can be channelled through one of several ways, but basically investments break down into two broad areas. These are stocks and bonds which are placed on the Stock Exchange or direct investments with an authority which are not negotiable, and with very few exceptions lock the holder in for the duration of the bonds.

Each Wednesday, a list is published of authorities which have placed bonds on the stock market. Most of these have a life of one year, though each week a smattering of bonds up to five years are included. There are even a few variable rate bonds. All the issues share common coupons for the various lengths of life. For example, this week one year bonds were placed with a coupon of 8 1/2 per cent, while a few three year issues were offered at 11 1/2 per cent.

For the investor, the advantage of these issues is that they can be bought and sold in the stock market at will. Though it is worth noting that most of them are relatively small issues—amounts of £50,000 and £500,000 are common—which means that dealing may prove difficult. The other quoted vehicle for

## Council yields enticing

## INVESTMENTS

TERRY GARRETT

authorities is the "corporation market." This is made up of the larger Local Authority issues which are made at irregular intervals and are normally offered to the public by an offer for sale.

Some typical stocks, where marketability is good, were suggested to me by brokers Phillips and Drew. For high rate tax payers the Corporation of London 3 1/2 per cent stock dated November 1979 might appeal. This offers a running yield of 3.6 per cent and a redemption yield of 10.3 per cent. A short dated high coupon investment can be found in Lincoln's 13 per cent stock dated 1980. There the running yield is 12 1/2 per cent—the stock stands above par—and the redemption return is 11 per cent. Investors can buy very small

sums of stock through a bank or a stockbroker—as little as £100 if they wish—but obviously there is a point where dealing costs become prohibitive.

Direct investment in an authority normally takes one of two forms, either replying to advertisements or for large organised investors direct dealing through the money market. Many authorities advertise in the Press. The popular Sunday papers carry a fair number of advertisements asking for money, and the Financial Times carries a block selecting a few authorities every week.

The rates and dates of the bonds vary, and investors should shop around to get the best deal. Sometimes two authorities can be offering on the same day bonds of identical duration with different rates.

The Loans Bureau is a good line of attack, for they can supply a comprehensive list of local authorities wanting money and what they are prepared to offer. Their phone number is 01-228 7855.

But with this type of investment there is no secondary market so investors must be prepared to leave their investment alone for the life of the bond.

For larger investors, and here we are really talking of a deal of at least £50,000, investment through one of the money brokers or money sides of the large stockbrokers is the obvious answer.

## Personal loans

example, bringing its rates down last October, the Co-op Bank cutting its loan rate to 14 per cent in December and Lloyds coming down only in late January. Until the latest increases spread throughout the system, therefore, there is for the time being a fairly wide spread of rates being offered by different banks.

The changes have also again presented the problems which are regularly associated with the distinctions which need to be drawn between two ways of describing the interest rate charged. National Westminster, the first to move up this time, announced the change in terms of a 1 per cent rise in the flat rate of interest charged on personal loans from 7 1/2 per cent to 8 1/2 per cent.

This is the rate which is

charged on the initial amount of the loan; but it is not the true cost. Because the loan is repaid in instalments over its life, the average amount of borrowing outstanding is around half the initial loan, and the true interest rate nearly double the flat rate.

For a two-year period, the most popular, NatWest's new 8 1/2 per cent flat rate is equivalent to a true interest rate of 16 1/2 per cent, a rise of 2 per cent from the previous level.

Both Midland and Lloyds made similar changes to NatWest. But in line with the emphasis of the consumer credit legislation, they both quoted only the true rate equivalents.

Barclays, which has not so far favoured the upward trend, is the one which stands out. This bank not only quotes in terms of a true rate, but also uses a constant rate. At present, Barclays is charging at a rate of 14.93 per cent, which was reduced from 16.85 per cent last November.

MICHAEL BLANDEN

THE RISE in the general level of interest rates, which has been reflected in a 2 1/2 point increase in the cost of overdrafts since the Budget, has now begun to work through to the rates being charged by the banks on their personal loans. These loans, for fixed periods and at fixed rates, are widely used as a method of unsecured consumer finance, and the charges made are changed a good deal less frequently than the base rates for overdraft lending.

The last round of changes was spread over several months, with National Westminster, for

	Flat		True*	
	old	new	old	new
Barclays	—	—	14.93	—
Lloyds	7 1/2	8 1/2	14.7	16.7
Midland	7 1/2	8 1/2	14.7	16.7
NatWest	7 1/2	8 1/2	14.7	16.7

\* For a two-year loan.

## UNIT TRUSTS

ERIC SHORT

porating risk and analyses performance over the 10 years to end 1975.

He concludes that there is no statistical evidence of any superior or inferior performance by the unit trust industry. Unit trust managers could not correctly time the market, that is so liquid when a downturn was imminent and thus a strategy of buy and hold is best. There is no evidence that size of fund influenced performance or that there are different types of funds—overseas and specialist funds were excluded.

Mr. Firth has certainly questioned the time honoured methods of selecting funds and measuring performance. The unit trust industry needs to answer his findings, especially his final one that possibly some attention should be paid to unit trust advertising and that claims of superior investment performance are being made on spurious grounds.

## Changing jobs

MOST INDIVIDUALS are still quite apathetic about their ultimate pension rights, despite all the publicity over the new State pension scheme, except when it comes to changing jobs. Then invariably they think they know their rights and want their money back. It usually comes as a shock to find out that the Government has been passing legislation designed to stop them having re-funds when they change

employers. Such is the desire to get their hands on money paid into the pension scheme that arrangements are being made whereby employees re-when it comes to changing jobs. Then invariably they think they know their rights and want their money back. It usually comes as a shock to find out that the Government has been passing legislation designed to stop them having re-funds when they change

cover that one has lost con-

siderable pension rights on change of jobs compared with staying put and the Government and Trade Unions do not think this is right at all. They consider that an employee should get the same pension irrespective of how many jobs he has in a working life. It has asked the Occupational Pensions Board to look into this question, and the Board, being a democratic organisation, is seeking the views of individuals as well as employers and the pensions industry. You may think this move superfluous in that it is self

evident that all individuals will want full transferability of pension rights on change of job. But the cost may mean giving up the right to refunds altogether—you cannot have your cake and eat it. But the O.P.B. is discovering, not for the first time, that there is very little published information on current pension scheme practice and so it would like to hear from you. If you feel strongly on the subject then write to the Report Secretary, Occupational Pensions Board, 16 Greese Street, London W1P 1PB by October 31, 1978.

**CHRISTIE'S**  
1766

**Forthcoming Wine Auction at Christie's**  
On Tuesday, 6th June at 12 noon  
**Christie-Restell City Wine Sale at Beaver Hall**

Including: major stocks of Claret, Burgundy, and Hock; miscellaneous bin-ends; Sherry, Rhone, Loire and Table Wines. A tasting to be held at Beaver Hall from 10 a.m. to 12 noon on the day of the sale.

Full details from: Michael Broadbent, M.W., Alan Taylor-Restell, or Duncan McEuen

**Christie's Wine Auctioneers since 1766**  
The Wine Department  
A King Street, St James's, London SW14 6QT  
Telephone 01-235 9000, Telex 916428.  
Cables: Christieat London SW1.

**HANDSOME MAHOGANY HORSE SHOE TABLE OF FINE QUALITY TOGETHER WITH 20 MAHOGANY CHAIRS**

White oak  
10' x 24"  
Length of seat  
18" x 24"  
Depth of seat  
18" x 24"  
White oak  
10' x 24"

Further details from:  
**JAMES YOUNG OF BANCHORY**  
4, St. Stephen's Street, Aberdeen  
Phone: ABERDEEN 224837

**ART GALLERIES**

**BRITISH GALLERY** 100, Coventry Street, London W1D 6QJ  
Tel: 01-235 9000, Telex 916428.  
Cables: Christieat London SW1.

**ROYAL GALLERY** 100, Coventry Street, London W1D 6QJ  
Tel: 01-235 9000, Telex 916428.  
Cables: Christieat London SW1.

**CLUBS**

**ROYAL GOLF CLUB** 100, Coventry Street, London W1D 6QJ  
Tel: 01-235 9000, Telex 916428.  
Cables: Christieat London SW1.

93 Great Russell Street, London WC1  
Telephone: 01-636 4895  
shop hours 9.30-6, Saturday 10-1

**Weinreb & Douwma Ltd**  
An exhibition of views and maps of Ireland, Scotland and Wales until 17 June

Lithograph of Prince's Street, Edinburgh by Samuel Swarbrick, published in 1839. Illustrated catalogue sent on request £1.

**FOR SALE BY TENDER**

**DEVELOPMENT SITE**  
Suitable for Industrial or Warehousing purposes fronting  
**Chancellor Lane, Ardwick, Manchester**  
Within a short distance of the Fairfield Street junction  
SITE AREA: 5,200 SQ. YDS. or thereabouts

**W.H. ROBINSON**  
Chartered Surveyors,  
79, Mosley Street, Manchester M2 3LP  
061-228 6411

**WALWORTH, S.E.17**  
59,293 sq. ft.  
**FREEHOLD INDUSTRIAL PREMISES**

★ Extensive cold storage  
★ Excellent covered yard and loading facilities  
★ Oil fired heating  
★ Good canteen facilities

APPLY SOLE AGENTS  
**clive lewis & partners**  
Tel: 01-499 1001

**NEW LIMITED OFFER**

**GUARANTEED INVESTMENT BOND**

**8 1/2% P.A. TAX PAID\* (FOR FOUR YEARS)**

**EQUIVALENT TO 12.69% P.A. GROSS**

**Your Benefits**  
At the end of each year during the term of the policy we shall allocate to your Bond a guaranteed bonus of £85 for each £1,000 of your investment. You may either:  
1. take each bonus in cash as it falls due. The bonuses will be payable free of basic rate tax, the first payment being made one year after the day we receive your investment and the final payment at the end of 4 years, when we shall also return your investment in full  
or  
2. leave your bonuses with us to accumulate at the same rate of interest. We shall then return to you at the end of 4 years £1,386 for each £1,000 you have invested.

**What if I need to cash in early?**  
To maintain this high guaranteed rate of interest we have to keep your money fully invested throughout the 4 year term. If you need your money before the maturity date the Company will quote a special surrender value.

**\*Your Tax Position**  
If you pay at the basic rate (33%) throughout the term of your Bond you should not be liable to any tax on the Bond whether you take your guaranteed bonuses in cash at the end of every year or leave them to accumulate until the end of the 4 years.

If you pay higher rates of tax at any time during the term of the Bond, there may be an immediate tax liability upon part of any bonuses cashed in at yearly intervals and a further tax liability at the end of the 4 years. If you leave your bonuses to accumulate throughout the investment period there may be a tax liability at maturity. The basis of assessment is complicated, but the Company will be happy to provide details. Alternatively you may prefer to consult your broker or financial adviser.

Despite this potential tax liability higher rate taxpayers should still find the Bond is a competitive means of obtaining a guaranteed investment return. There is no personal liability to Capital Gains Tax.

**Investment for Income or Growth**  
To take advantage of recent increases in interest rates we offer you a new bond which guarantees 8 1/2% per annum free of tax over a period of 4 years providing you are under 80 and are a basic rate taxpayer. This is equivalent to 12.69% per annum gross (assuming 33% tax) and the bond, which is a single premium endowment assurance, provides a sum assured equal to your single premium and is payable at the end of 4 years or on previous death, together with any bonuses you have not taken in cash.

We can only offer this bond whilst interest rates are high and on a strictly limited basis. If you want to secure a good income we advise you to act now.

**The Company**  
Hodge Life Assurance founded in 1906 and with assets of over £1 million, is a wholly-owned subsidiary of Standard Chartered Bank Limited which is Britain's largest independent international bank, with 1,300 offices in some sixty countries and assets in excess of £7,000 million.

**What should I do now?**  
Simply complete the application form and send it with your cheque (minimum £1,000—maximum £50,000) either to "Hodge Life" or to your insurance broker or financial adviser. If you wish to cash-in bonuses at the end of each year please tick the box provided in the application form.

Your Bond will commence on the day we receive your cheque and the completed application form. We shall issue your Bond policy document shortly afterwards.

This advertisement is based on our understanding of present Law and Inland Revenue practice.

This offer is strictly limited and we reserve the right to withdraw it at any time.

To: Hodge Life Assurance Company Limited, Threadneedle House, 34, Bishopsgate, London, EC2M 4AA.

**APPLICATION FOR A HODGE GUARANTEED INVESTMENT BOND**

Surname (Mr, Mrs, Miss) \_\_\_\_\_ Forenames \_\_\_\_\_

Address \_\_\_\_\_

Date of Birth \_\_\_\_\_ (Maximum age at entry 80)

☐ Please tick if you wish to cash-in bonuses as they arise.

I wish to invest £ \_\_\_\_\_ (minimum £1,000; maximum £50,000) in a Hodge Guaranteed Investment Bond and I enclose a cheque for this amount made payable to Hodge Life Assurance Company Limited, I am a resident of the United Kingdom and over 18 years of age. I understand that this application will form the basis of the contract between me and Hodge Life Assurance Company Limited.

If you have elected to cash-in your bonuses as they arise please complete the following section:

Name of Bank \_\_\_\_\_

Address \_\_\_\_\_

Account No. \_\_\_\_\_

Bonuses will be credited automatically to your account each year.

Signature of Proposer and Life to be Assured \_\_\_\_\_

Date \_\_\_\_\_

**Hodge Assurance**  
A member of the Standard Chartered Bank Group  
Registered No. 742849 England  
Registered Office, 31, Winsor Place, Cardiff.  
This offer is not available to residents of Eire.  
The Company reserves the right to withdraw this offer at any time.



# MOTORGOLF



## An elegant Italian

BY STUART MARSHALL

Two years passed between the Lancia Gamma's announcement in Italy and its arrival here last week with right hand drive. The time has been well spent. The new car is a little over 120 mph and the noise level low enough to make cruising enjoyable. The brakes are all-disc, able at 100 mph-plus—where the law allows, of course.

The engine is a 2-litre flat-four cylinder which, on the face of it, is a curious choice for so up-market a car. Lancia say they tried a straight-six and their traditional narrow-angle V6 but they took up too much room and so a space-saving boxer engine it had to be. Why "boxer motor"? Because it works like a couple of heavyweights pummeling one another. The all-independent suspension gives a notably flat ride time has been well spent. The new car is a little over 120 mph and the noise level low enough to make cruising enjoyable. The brakes are all-disc, able at 100 mph-plus—where the law allows, of course.

The engine is a 2-litre flat-four cylinder which, on the face of it, is a curious choice for so up-market a car. Lancia say they tried a straight-six and their traditional narrow-angle V6 but they took up too much room and so a space-saving boxer engine it had to be. Why "boxer motor"? Because it works like a couple of heavyweights pummeling one another. The all-independent suspension gives a notably flat ride time has been well spent. The new car is a little over 120 mph and the noise level low enough to make cruising enjoyable. The brakes are all-disc, able at 100 mph-plus—where the law allows, of course.

### Chess

LEONARD BARDEN

CAPABLANCA, world champion from 1921 to 1927, was the finest simultaneous player of his day and probably of all time. His strengths included total recall of moves of every game, and an instant appreciation of position.

In more recent times the most successful simuls have been played by Flohr, Smyslov and Karpov—have mostly been, like Capa, grandmasters with a preference for strategic chess and endings. This is not only an economic style for simultaneous play, but means that the opponents in an exhibition are forced into areas of the game where they are notably weak.

Capa's simul record, fully documented in David Hooper's *The Unknown Capablanca* (Batsford, £3.95) includes a selection of the best games from the Cuban champion's numerous European and American tours. His 1919 British tour, at the height of his fame and strength, was one of the most successful: the exhibitions almost all took place over around 40 boards but he never lost more than three

## Home pride of the Ryder Cup

CHARLOTTE, NORTH CAROLINA, June 2

HOW STRANGE it was that, just 24 hours after the most heartening British professional golfing performance since Tony Jacklin's 1969 Open Championship victory, changes for future Ryder Cup matches were announced, allowing Europeans to play on our team to strengthen it.

If the first eight members of the team to represent Great Britain, Ireland and Europe had selected themselves by virtue of their positions in the order of merit on the day of the announcement, three Spaniards, Seve Ballesteros, Jose Maria Canizares, and Antonio Garrido would be in the team to challenge the Americans next year for the trophy they have retained since winning it back in 1959 after our lone post-war victory at Lindrick in 1957.

So the Ryder Cup matches, as the late Sam Ryder, a golf fanatic and seer of the future, St. Albans envisaged them as dead, and good friends to them. Usually they were the most embarrassing events in the calendar, particularly in America, where we have never won at all. In sorry fact, we have won but three and lost 18 of the biennial contests staged on both sides of the Atlantic since 1927, with one historic tie at Royal Birkdale in 1969.

On that memorable occasion, the destination of the trophy depended on the last singles match involving Jack Nicklaus and then Open champion Jacklin as it came down to the final putt on the 18th green. No one is likely to forget Nicklaus's peerless gesture in conceding that putt of no less than three feet to prevent the possibility of a for-once epic team encounter turning on the single stroke in question.

But generally speaking, the Ryder Cup matches I have attended have been a terrible letdown, a patriotically stubborn refusal to accept the inevitable until it actually happens. Unfortunately, I cannot imagine the changes announced this week making any significant difference to the future days, he could become the

## Make it rich at the top

EVERY NATURAL soil grows its own patina of fertility. It is formed on the surface from the accumulated debris of the ages and it is to be seen most clearly in woodland where it may be several inches thick: a rich brown mould totally different from the more mineral soil beneath which it both protects and feeds. But even on bare mountain sides and open downs the surface skin exists and the strongest point in the case of those gardeners who oppose digging is that it destroys at a stroke what nature has taken untold aeons of time to create.

Good gardeners know this by instinct and seek to redress the damage they have caused through deep cultivation by replacing the humus which they have dispersed. This they may do by working in heavy dressings of organic matter, manure, or peat, or they may, if they can get it, use home made compost, peat or whatever comes most readily to hand. The end product may well be a soil far richer than that with which they started but in the race to improve soil fertility it is wise to remember that the most important area is the uppermost inch or so and the method most likely to be economical of time and material is mulching. It is nature's method speeded up a million times and it can be highly beneficial to plants as well as

## GOLF

BEN WRIGHT

laus, he would be playing on American soil for the first time. Nor can I ignore the fact that poor Garrido was totally overshadowed by his first experience of the Masters' Tournament, at Augusta this spring and never looked likely to survive the 36 holes cut.

Of course, Ballesteros is afraid of nothing and nobody and he will obviously be a tremendous asset to us. But, conversely, if he had one of his really wild 23 points to 9.

To stretch the matches to an extra day or two is a smart commercial move on British soil, because they traditionally attract vast crowds praying for miracles—but only if we stay close enough to our habitual conquerors to hold an outside chance of victory.

To have any chance of doing so, I passionately believe that we have to enlist the help of the whole world of golf, forget national pride—such of it that remains—and call our team the Rest of the World. But just as the new team will continue to play biennially in Britain only, despite its likely Spanish content and the usually marvellous weather and exceptionally fine golf courses on the Iberian peninsula, so my Rest-of-the-World team would be based and selected in Britain.

I know only too well how petty jealousy rules the minds of so many of our professional golfers. But automatic selection by qualification is dangerous in that proven match-players of superior courage could be left on the sidelines.

## GARDENING

ARTHUR HELLIER

greatly improving the appearance of the garden.

Mulches can be of many materials from rich manure to sterile gravel. All have a common purpose in protecting the soil beneath and the roots that grow in it. Mulches of any kind tend to even out the temperature and moisture fluctuations in the soil, making

afford to much so generously even if they could find a farmer willing to part with so much manure. No wonder, I thought, that the roses in Regents Park are among the best in the world. With annual mulches like that it would be strange if they did not grow and flower exceedingly.

A few weeks later I was at the opening of the Hillier Arboretum near Romsey which has just been given to Hampshire County Council by Mr. Harold Hillier who created it. In front of his house, which adjoins the arboretum, he has made a series of island beds, mainly for alpine, small herbaceous plants and an extensive collection of dwarf conifers, and these are all thickly mulched with pea gravel.

Perhaps most gardeners would not consider this a mulch at all since it is solely mineral, and unavailable mineral at that, so that it contributes nothing directly to the fertility of the soil. But the way in which plants thrive in these beds indicates that the gravel cover does contribute to their wellbeing by protecting the soil, keeping it cool and moist in summer and improving drainage in winter so that face bacteria and fungi can get on with their useful work of manufacturing those chemicals well be the cheapest of all which plants must have if they are to grow successfully. As a

### MOTOR CARS

#### VINTAGE CAR AUCTION

ALEXANDRA PALACE, FRIDAY JUNE 9th

This magnificent 1924 Brewster Salamanca is one of two fine Silver Ghosts entered, also 1923 Supercharged Mercedes, two vintage Bentley, Type 44 Bugatti, Alvis, Lagonda, Austin, Austin, Sunbeams, etc.

Further entries invited. Catalogue £1.50.

MIKE CARTER SALES LTD.  
14, BROADWAY, S.W.1. Enquiries 01-834 9225

### MOTORGOLF

Appears Every SATURDAY

For Further Details Contact:—  
**SIMON HICKS**  
01-248 5115

### TV Ratings

w/e May 28

U.S. TOP TEN (Nielsen ratings)

1. Laverne and Shirley (comedy)	24.8
2. ABC Comedy (comedy)	24.8
3. Dain Course st. 1 (drama)	22.9
4. Master Days (comedy)	22.9
5. Police Story (drama)	20.9
6. MASH (comedy)	20.4
7. Carrier Country (comedy)	18.7
8. Blue Country (drama)	18.6
9. Little House (drama)	15.3
10. Dale Gribble st. 3 (comedy)	15.2

### BRIDGE

E. P. C. COTTER

IN HIS new book, *The Finer Arts of Bridge* (Faber £5.50), Victor Molloy takes the reader away from the conventional treatment of technical knowledge to the more nebulous realm of psychology and imagination. You will certainly enjoy the hands, and you will certainly learn from them.

Let us examine this hand from a rubber in which all the players were experts:

N ♠ K Q 10  
♥ A Q 8 7 5  
♦ A 9 8 5  
♣ Q

E ♠ 6 5 4  
♥ K 8 4  
♦ Q 4 3  
♣ K 6 5 3 2

S ♠ A 9 8 7  
♥ Q 3 2  
♦ K 10 7 6  
♣ A 4

At a love score North dealt and opened the bidding with one heart. South said one spade, and North rebid two diamonds. South now jumped to four diamonds. North bid four spades, and South pushed on with a cue-bid of five clubs. Hoping for further information, North said five hearts, but South could only say five spades, which North raised to six spades.

The club Knave was won in hand, a club was ruffed, and trumps were drawn in three rounds. The declarer continued with a heart, finessing the Queen, which lost to the King, and East returned the four of diamonds. What should South play?

The mathematician has no problem—he plays for split honours in diamonds, preferring the odds-on chance to the odds-against chance of the 3-3 break in hearts.

### WRAP THE COOL CAR COMFORT OF

## alpinair

AROUND YOU

Enjoy the luxury of Alpinair air-conditioned driving. The system with maximum REFRIGERATION, DEHUMIDIFICATION AND FILTRATION which means no heater fumes, no misting-up, no draughts, no noise, no discomfort winter or summer—just relaxed, comfortable driving all the year round. Only Alpinair offers you such a wide variety of beautifully designed units which blend superbly with the dashboard of your car—whatever its make. Tried, tested and proved a winner. Alpinair—Europe's undisputed leaders in auto air-conditioning. Send now for colour brochure.

Alpinair Ltd., 174 Honeywell Lane, London, Stanmore, Middx, HA7 1BG.  
(40-adjacent) Greenbury London Underground Station  
Telephone: 01-254 96318 Telex: 8013043

### MENDOZA

FOR SALE—W1

Unbroken Freehold. Block of 50 Flats with considerable potential.

£300,000

Contact David Reynolds  
39 Crawford Street, W.1.  
01-835 8341

### FINANCIAL TIMES CINEMA

All enquiries to the Press Officer, Financial Times, Bracken House, 10 Cannon Street, London EC4A 3DF. Tel: 01-248 2000 (ext. 7123).

مكتبة الأصل



هكذا من الأصل

هكذا من الأصل



# LEYLAND VEHICLES. THE NAME THAT CARRIES A LOT OF WEIGHT.

We're Britain's biggest specialist truck builder. And we have a world-wide reputation for producing the very best commercial vehicles.

Last year alone, we built over 30,000 trucks, buses and tractors. And we exported over half of them. You probably know us better as Leyland Truck & Bus. But now we're called Leyland Vehicles. We're investing over £130m in new research, development and manufacturing facilities.

We're planning a completely new range of trucks. We're doubling heavy truck production capacity. And we're expanding and fully computerising our parts back-up.

So, our service network will not only be the biggest but also the most efficient in Britain. We're doing what we've always done best. But we're doing it better than ever.



But we're doing it better than ever. **Leyland Vehicles. Nothing can stop us now.**







## HOW TO SPEND IT

هكذا من الأصل

by Lucia van der Post

## SHADES OF DISTINCTION

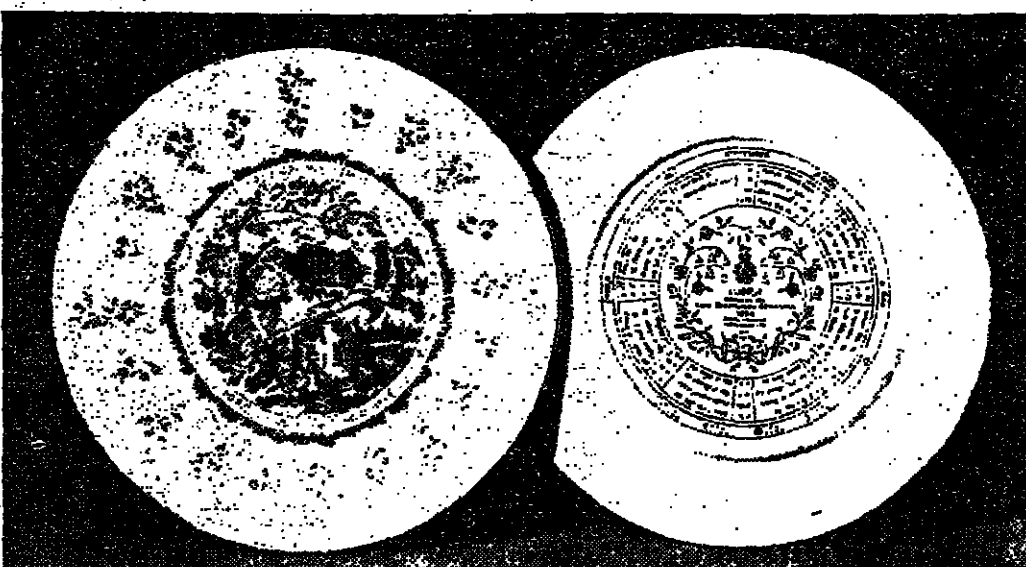


LEFT: The company of Christian Dior has just launched a series of very glamorous sunglasses all for those who like their status symbols to be recognised, with a discreet CD on the side of the frame. The lenses are graduated (so as not to hide beautiful eyes completely) and are made of scratch and impact resistant resin material. There are six lovely styles all of which come in a choice of six different colours, £29.55 each they can be bought from Christian Dior London, 9, Conduit Street, London W1. Harrods and good opticians throughout the country.

RIGHT: Mary Quant has just designed a range of sunglasses for Polaroid and all of her designs carry her distinctive little daisy symbol somewhere on the frame. There are five different styles, two metal, three in plastic and they all cost £12.95. Find them in Selfridges, John Lewis and other John Lewis partnership stores, Debenhams and Boots.

## Set a summer table

I THINK summer tables should look quite different from winter ones. Just as, by the time summer comes round, I've got so tired of my winter clothes I can hardly bear to look at them, let alone put them on, so I like to change the look of the whole table to be more in keeping with (hopefully) hot, lazy, summer days. In winter I tend to aim for a rather rustic, farmhouse look for family meals and for guests or evening dinners a more sophisticated, distinctly indoor look. When summer comes I think in terms of flowers, birds and other outdoor things. For those who like to change their china from time to time here are three new designs from some of our top tableware companies.



A charming new collection of plates has just been launched by Royal Doulton. There is one plate for each sign of the zodiac (the quicker among you will immediately realise that that makes 12 in all) and I think it would be rather fun to have one for each member of the family.

Each plate, each sign of the zodiac, has its own coloured design, featuring Kate Greenaway's well-known and well-loved smocked and sun-dressed children in some picturesque garden setting or other. Every design incorporates some aspect of the sign so that, for instance, on the Libra plate (photographed here) the two children are

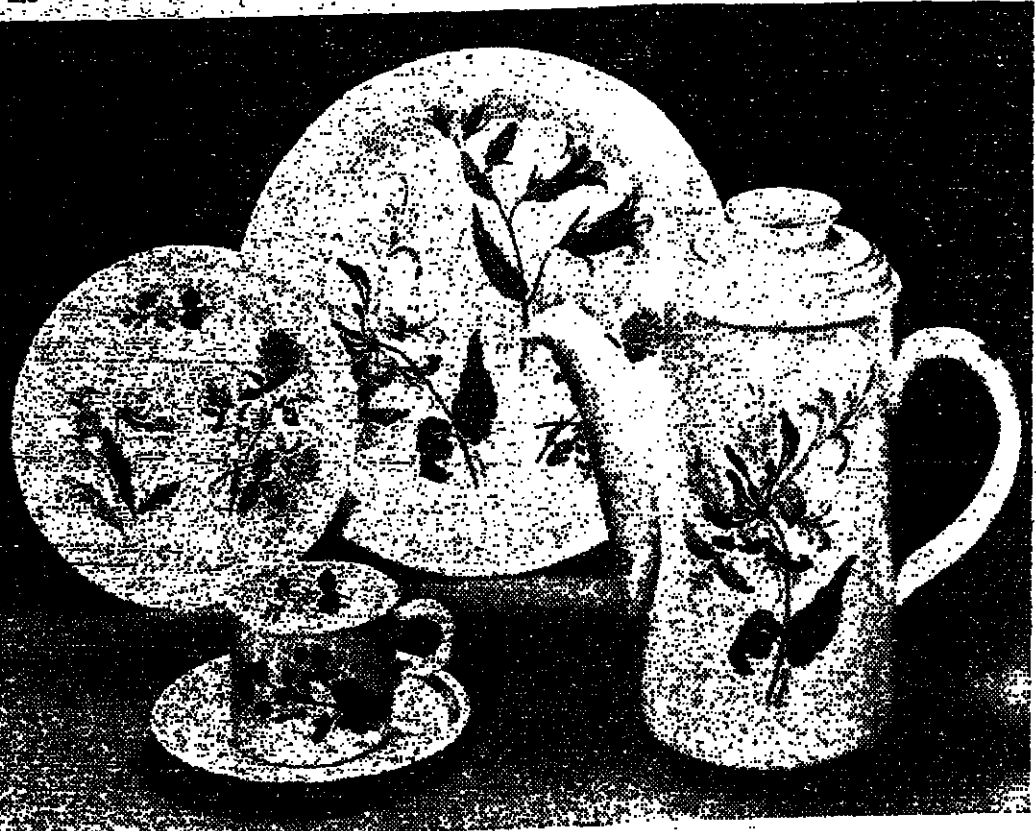
sitting on a see-saw to symbolise the sign of the scales. The border of the plate not only has some charming and delicate sprigs of wild flowers. It is also embossed with a chain of dancing children holding hands which completely encircles the plate.

On the reverse side of each plate Kate Greenaway's original calendar of events for the month is reproduced. All these are taken from Kate Greenaway's original 1894 Almanack. The plates are attractively boxed and would make a lovely present. They cost £8.95 each and are available from branches of Lawleys and Royal Doulton rooms in major stores.



These collectors' pieces are unfortunately rather expensive for all but the very rich to look out on. Most of us perhaps could afford one or even two but lovely though they are and much though they would enhance any summer table, at £22.95 each they would need to be treated with the utmost care. However these plates really are for the connoisseur—they are all embellished with fantasies of water colours done by John James Audubon, the famous American exponent of the art of painting birds, who lived from 1795 to 1851. The originals used by Worcester Royal Porcelain are owned by the New York Historical Society and

Worcester Royal Porcelain have been given the sole rights to reproduce these designs on china. For the moment there are eight plates, each of which has a coloured facsimile of an Audubon watercolour in the centre. Each border is decorated with foliage or greenery that enhances and supports the central subject. Each plate is 10½ inches in diameter and each will be issued in limited editions of 5,000 copies. The two latest additions to the range are photographed above—the tree sparrow is on the left, the grey kingbird on the right. Each plate costs £22.95 and they are available from Royal Worcester Spode rooms and good class china departments.



This set of earthenware tableware by Pottery Supply is everything summery for a table. It is delicately embellished with a host of summer hedgerow flowers: honeysuckle is the main plant used but there is also campanula, daisy and violet, all strewn about the plate rather as a child might strew them

on the kitchen table. The set is extremely reasonably priced: the 10-inch plate is £1.60, the 5-inch plate is £1.00 while the coffee pot is £5.65 and the cup and saucer £1.40. It is available now from Royal Worcester Spode rooms and good class china and tableware departments and stores.



WHEN I was very young, sunglasses were strictly for filmstars or Mafia chieftains. Anybody else caught wearing them looked misanthropic. On the odd occasion when I had a sty or conjunctivitis and wore them as camouflage they always brought forth some flippant comment. Nowadays, of course, they're almost as common an accessory as shoes or handbags. Almost everybody I know has at least one pair, most people have two or three.

However, whereas once it was a simple matter to decide which pair you wanted—you either needed prescription sunglasses, in which case you went to your optician, or you bought the shape you liked best—nowadays there are so many new developments that it's difficult to weigh the advantages of one against another.

To start at the beginning—do you need sunglasses at all? The answer is that strictly speaking you probably don't. Most healthy eyes are able to make all the necessary adjustments to sun- or light: however, many people have discovered that they feel much more comfortable wearing them, their eyes seem less tired, they don't have to screw them up and they are often useful camouflage if very tired. I like to wear them to keep the dust out of my eyes in very windy weather.

Which? In its report on sunglasses last June, found that almost all sunglasses from the very cheap upwards were efficient at keeping out enough glare to stop you screwing up your eyes. Equally, all the lenses they tested (including the very cheapest plain plastic ones) were efficient at cutting down ultra-violet rays whereas with infra-red rays (which can harm the eyes, though there is seldom enough in Britain to create much of a problem) glass lenses were distinctly better than plastic, while mirror lenses were best of all.

Everybody I spoke to wished to emphasise that it is vital that sunglasses should not be worn in certain conditions—chiefly when driving at night (the new Highway Code stresses this) or in poor visibility.

Of the main types of sunglasses on sale, ordinary plastic ones are the cheapest. These can be an added strain on the eyes if there is any distortion and a good way to find out if they are any good is by holding the glasses out at arm's length.

Look through each lens in turn, aiming at a vertical object like a window or doorpost. Rotate the lens slightly and you will find that if the lens is of acceptable quality, the vertical image you are looking at will remain still. If it seems to move or alter shape, the quality is poor.

Flawed lenses mean that the eyes have to work harder to compensate for the blurred image so that your eyes may end up feeling more tired than if you weren't wearing them.

Both glass and plastic can provide good lenses—on the whole

plastic ones are light, but scratch more readily. They also tend to be more exciting shapes and are more impact-resistant than ordinary glass ones (though toughened glass, of course, is also impact-resistant).

Polaroid lenses were first invented in America (where else?) in the 1930s and they offered a genuine innovation in that they contained a core which filtered the light so that glare was eliminated. Until the early 1970s the sunglasses market was almost entirely dominated by polarised lenses. In the mid 1970s some very fashion-conscious firms with very aggressive marketing policies began to make a big impact on the sunglasses market (anybody who ever watches television must have noticed some very stylish advertising).

Nonetheless, even though Polaroid's own patent on the polarising process has run out, polarised lenses still account for about 50 per cent of all sales.

Polaroid themselves still sell more sunglasses than any other company in this country and are trying hard to combine the good-quality image they've developed over the years with a high-fashion approach. They have just launched a series of very attractive frames designed for them by Mary Quant (one of them is photographed near left).

Photochromatic lenses have recently become all the rage—these are lenses that darken and lighten automatically according to the amount of sunlight. The early models used to darken relatively quickly when worn in the sunlight but took quite a long time to lighten again on going inside—this could occasionally be quite dangerous (for instance, when driving and suddenly entering a dark tunnel). However, this year's latest development is the Reactolite Rapid lenses and these react very much more quickly to changing light conditions. The lenses are made from a special aluminium orthophosphate glass and one of the best brand-names to look out for is Pilkington's Concord glasses—these are priced between £19.50 and £13.75 and come in a good range of fashionable shapes and colours.

Anybody needing to have prescription sunglasses made up should choose photochromatic lenses because this means they can be worn all the time—they will be quite clear on winter days and obediently dark when the sun comes out.

Many people like to have "graduated" glasses—that is, ones that are clearer at the bottom so that beautiful eyes are not hidden!

Anybody wanting to buy sunglasses this summer and wanting to know more about the do's and don'ts of the matter could send a self-addressed stamped envelope to the Optical Information Council, Walter House, 418-422 Strand, London, WC2R 0PB and they will be sent their free fact sheet.

Photographed here are two of the newest shapes to be launched this year.

## Cool numbers

ONE OF the most attractive aspects of summer in my view is the clink of ice in glasses full of cooling summer drinks. Because our hot weather is so sporadic and so uncertain most of us don't have the truly formidable array of equipment needed for cooling drinks that is to be found in hotter climates.

It is, for instance, almost impossible to track down a really attractive ice-bucket. Few people seem to have fridges with a continuous ice-making facility—almost a standard feature on most American fridges—and also the range of summer drinks we prefer in our friends, or refresh ourselves with at the end of the day, is pitifully small.

though admittedly in Pimms we have one of the most refreshing of all summer concoctions. I hope to track down more genuinely useful hot weather survival equipment in the coming weeks but in the meantime here are three ideas, some inexpensive, one very expensive, to add a little lustre to the summer days.



Until I heard a fascinating programme on the radio and read a piece in Weekend Brief on the subject of Epping Forest I had no idea that the forest was currently celebrating 100 years of being under the care of the Corporation of London nor had I any idea of quite what a fascinating place it still is. Those who are interested in the anniversary might like to know that the Epping Forest Centenary Trust, with the approval of the Corporation of London, commissioned Auren Designs to produce a paragon silver goblet to celebrate the anniversary.

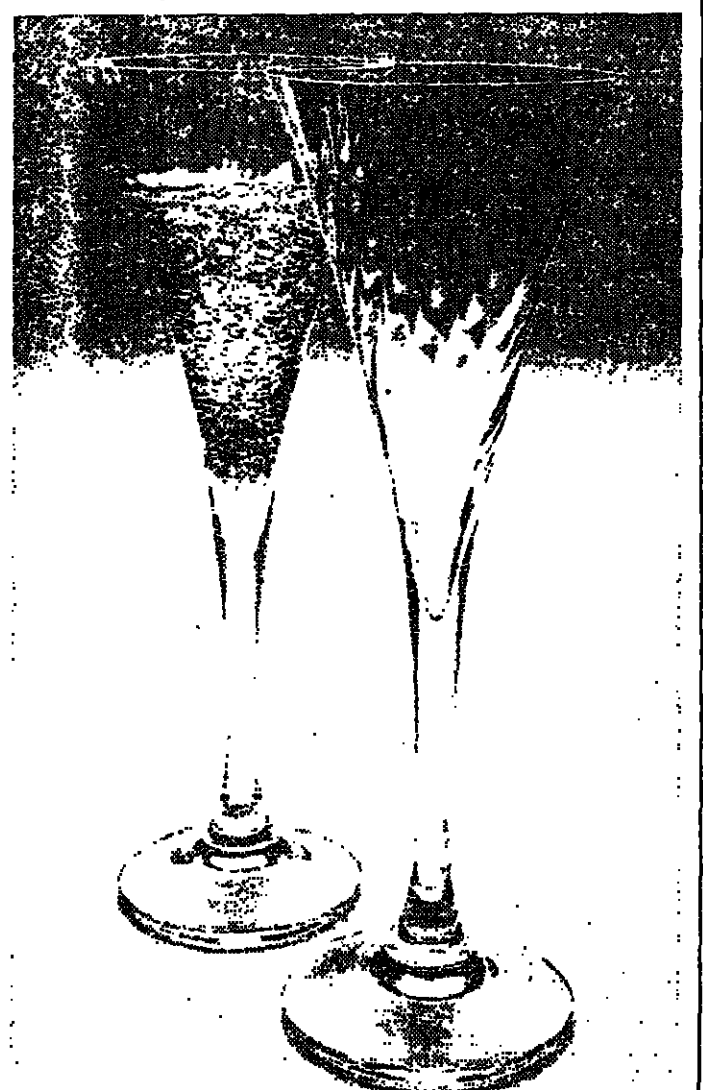
Though usually I am rather against the issue of limited editions, since I feel that it is each goblet is £246 and it can often an artificial device for raising the price of an object without necessarily improving its intrinsic beauty at all. In this particular case I feel the goblet is sufficiently fine and may interest enough people for it to be worth mentioning.

The goblet itself is 6½ inches high and is made from solid hallmarked silver weighing 13 ounces. I like the shape of the goblet and find the embellishment near the base very appropriate to the theme—and it is exquisitely done. Through oxidised silver foliage a sculpted deer, overlaid with gold, can be seen.

Only 500 goblets will be made in all, each will, of course, be numbered on its base, and accompanied by an authenticating certificate. The price of the goblet is £246 and it can be bought by post from The Epping Forest Centenary Trust, The Warren, Loughton, Essex. Intrinsic beauty at all. In this 1978.



For drinks on the terrace what could be more practical than this rather elegant pitcher with its removable central cylinder into which you can place ice-cubes to cool but not dilute your summer drinks. The pitcher itself is made from glass with silver-plated trimmings, holds 3.5 pints of liquid and is 11½ inches high. What I like about the pitcher is that without the central cylinder it can be used, equally attractively as, for instance, a coffee jug. The pitcher is quite widely available in retail stores but it can be bought more cheaply by mail order from L. Howlett (Despatching), P.O. Box 28, Ashton-under-Lyne, Lancs. Where the price, postage paid, is £13.95.



Summer is a popular time for weddings and though most caterers still proffer those open cup-shaped champagne glasses they are rather too expensive to buy en masse for large weddings, but for smaller celebrations at home they are just the thing. Made from fine crystal with just a hint of a slight ripple effect on the main body of glass, these are called Heilmann and are sold boxed in pairs, for £12.60. They are available from Harrods and Liberty in London; C. Howarth of Oundle, Leslie Cressley of Knebworth, The Friar's House, Cambridge and Hendry Decor of Edinburgh. You can write to Orrfords UR, Cambridge Science Park, Milton Road, Cambridge for a list of stockists.

## THE MINTON CRYSTAL CORONATION ANNIVERSARY GOBLET

A fine English Crystal Limited Edition of 750 exclusive to Peter Jones of Wakefield.



£39.50 EACH

PETER JONES CHINA (MAIL ORDER) LTD. (Dept 2) P.O. Box 10, Wakefield WF1 3AR.

INVEST IN COLLECTORS' PLATES

Peter Jones China (Mail Order) Ltd. (Dept 2) P.O. Box 10, Wakefield WF1 3AR.

The Coronation of Her Majesty Queen Elizabeth II took place on June 2nd 1953 and, to commemorate this historic occasion, Minton, have commissioned leading artists and craftsmen to create a strictly limited edition of 750 goblets worthy of the occasion. Hand-made in full lead crystal, to give the unique brilliance and ring, these splendid vessels stand 7½" tall with a 3½" bowl in the traditional bucket shape. The air-tight stem is of the baluster type, incorporating a series of minor knobs. The front is inscribed "Twenty fifth Anniversary of Coronation of H.M. Queen Elizabeth II 1978" and the reverse depicts Westminster Abbey and reads "1953 Coronation 1978".

Peter Jones China (Mail Order) Ltd. (Dept 2) P.O. Box 10, Wakefield WF1 3AR.

Please send me.....Minton Crystal Coronation Anniversary Goblets at £39.50 each. I enclose cheque/P.O. made out to Peter Jones China (Mail Order) Ltd, or debit my Access/Barclaycard Acc.

No.....for the sum of.....  
Name.....  
Address.....

If I am not satisfied with my purchase I understand that this can be returned within 14 days of receipt and that my money will be refunded. Delivery will commence in 6 weeks. All prices include VAT. Registered in England 783518.



ARTS

Things French

It does not often happen in England that within the space of a few days one has the opportunity of seeing or hearing plays by Racine, Marivaux, Corneille and a bicentenary programme about Voltaire but such recently has been my fortunate fate. This little festival of French drama has happened to me quite fortuitously. I went to Chichester to see John Bowen's English version of *L'Heureux Strangere* and then to the Old Vic to see Jean Marais in *Les Parents Terribles* after which I heard *Britannicus* in an English translation on Radio 4 (May 28) and Maurice Cranston's feature about Voltaire (Radio 4, May 31).

Reactions to these performances have convinced me that if politically we are now Europeans, theatrically we remain Britons. Both at Chichester and at the Old Vic one sensed immense resistance to something which was fascinating and en-

RADIO

ANTHONY CURTIS

teresting even if it did not convince one that all the problems had been solved. But since my brief here is radio, let me concentrate on *Britannicus*: this was broadcast in a version by John Edmunds who faced even craver problems than Mr. Bowen had done with Marivaux.

There really is no way with Racine in English: either you try to write a new play altogether "after" the original, as Tony Harrison did with *Phedre* at the National Theatre, transposing it to British India with some success, or like Dr. Edmunds you grapple knowledgeably with the text trying to produce a close approximation to the meaning of the words in some kind of speakable English verse. What tends to get lost is not so much the sense as the tone. Thus when Agrippina protests that she is not going to keep her mouth shut for fear of angering her own son, the French has "c'est trop respecter l'outrage de mes mains" and the English, "I won't kneel to my own handiwork." It is very easy though to

Capricorn

Capricorn, a chamber group of young and accomplished players, have organised most of the Debussy and Ravel chamber music (the most notable absentee being the string quartets of each) into two recitals at the Wigmore Hall. At the first, on Thursday, the choice of seven works gave enjoyment, and allowed much rewarding comparison, the result of which was to direct one more than ever towards the differences between the two composers rather than to their similarities. Such things as Debussy's invention of *Rude*, on form and Ravel's mastery

MUSIC

MAX LOPPERT

of cleanly "closed" ones; the very different but equally remarkable dissimilar applications of instrumental timbre—the concert highlighted these and other contrasts, in a profitable way and to the greater glory of the music. But if the recital also highlighted a common factor uniting both composers, it was perhaps less by intention than by default. The instrumental music of both is extremely difficult, not to play, but to get right. Although the players of Capricorn are all accomplished and sensitive musicians, their combinations seldom added up to wholly idiomatic interpretation. In the opening Debussy Violin Sonata, for example, the balance between

Jorge Bolet

Paavo Berglund and the Bournemouth Symphony were also in attendance at the Albert Hall on Thursday night, but they did not make their presence much felt. Mr. Bolet, whose solo piano recitals here have made a great impression, was not expected to give anything less than a sterling account of Liszt's *E-flat Concerto*, and he did not disappoint us. There were a few misapprehensions, but in his hands the concerto always sounded aristocratic, and the figuration was pure silver. By the metronome his tempi would count as restrained, but the power and rounded clarity of his touch projected a grand sweep which carried the music along.

Bolet revealed himself in the *quasi Adagio*, from which the recitatives rose like rocky challenges. He allowed nothing to sound like mere flourishes—he found a constructive sense for the slightest passages. An



Contrasting couples at Battersea Town Hall; a photograph by Ian Berry in Zoom

Zoom homes in

Britain has had to wait eight years for Zoom, the French magazine which celebrates the best of photography. Now the first edition in English is available, with plans to produce it six times a year. American and German variations are also planned.

Zoom conveys images, images produced by photographers in the main, with the occasional diversion into other graphic arts—a

GRAPHICS

ANTHONY THORNCROFT

forthcoming issue has features on Japanese match-box covers and on the art of the Japanese book cover. It could all be rather precious and pretentious, but the variety of photographers' portfolios in each issue ensures that for every collection of dull, dated or clichéd photographs there is another set which hits the eye.

In the first British issue, for example (which includes work previously seen in the French Zoom, plus new material) there

The Old Country

Alan Bennett virtually devotes all his first act in *The Old Country* (at the Queen's) to the writer and actor: a parody on cunning concealment of the hero's location and the hero's situation. If, on the second visit, you know the answers to these riddles from the start, you are thrown back much more on the line-to-line quality of the play. The sensation that the whole thing is a skilful exercise in parody kept worrying me.

Hilary, with his Batemanish middle-class landmarks as Hymus, A and M and Lyons teashops—Duff, the power-hungry intellectual with a finger in every cultural pie and a secret weakness for young men—Veronica, the elegant, not-quite-county lady—these serve the function of

THEATRE

B. A. YOUNG

ventriloquist's dummies through whom Mr. Bennett transmits his acute ability to reproduce the various speech-patterns, the thought-patterns, of the British. At first, where he has some longish, establishing speeches, Anthony Quayle, the new Hilary, seems conscious of his role, in his line later playing against Michael Aldridge, the new Duff.

Stoppard-Previn at the Mermaid

The Mermaid Theatre's next production will be the first theatrical presentation of a Play by Stoppard and Previn, entitled *Every Good Boy Deserves Favour*, directed by Trevor Nunn, designed by Ralph Koltai and lighting by Peter Sutton, with the Mermaid Theatre Chamber Orchestra conducted by Michael Lankester.

THEATRES THIS WEEK . . . AND NEXT

**MALVERN—You Never Can Tell.** Delightful production of Shaw's lightweight comedy by the Abbey Theatre, Dublin. Reviewed Wednesday.

**OLD VIC—The Turkish Clogs.** Visiting Turkish musical that is not Turkish delight. Reviewed Wednesday.

**ROUND HOUSE—Big Sin City.** Native British musical that is no kind of delight either. Reviewed Wednesday/Thursday.

**OPEN SPACE—The Ball Game.** American farce, most ably acted, but too full of absurdities. Reviewed Wednesday/Thursday.

**LYTTLETON—Plunder.** Ben

Tv/Radio

Indicates programme in black and white

**BBC 1**  
7.15-8.30 a.m. Open University.  
8.45-9.15 a.m. The Flashing Blade, 8.45 Calling Young Film-makers, 10.00 Ariotti and Trueman on Cricket, 10.25 Cartoon Time (Daily Duck and Bugs Bunny), 10.40 Trooping the Colour, 11.15 p.m. Weather, 11.15 Cricket: First Test, Cornhill Insurance Test Series: England v. Pakistan, 1.30 Grandstand: Racing from Kempton Park (1.35, 2.40, 3.10); World Cup Highlights (1.50) Argentina v. Hungary, 2.15 Cricket: First Test (2.30, 3.50) England v. Pakistan: Athletics (2.50, 4.45); The Phillips Southern Counties Championships Show Jumping (3.20) The Embassy Trophy: Rugby League Sevens (3.25, 4.15) The Embassy Sevens Trophy: 3.00 Final Score including racing results and cricket scoreboard.  
5.10 News  
5.20 Sport Regional News  
5.25 World Cup Grandstand: Sweden v. Brazil and Spain v. Australia (highlights)  
7.25 The Val Dominican Music Show  
8.20 World Cup Grandstand: Scotland v. Peru and Iran v. Holland (highlights)  
11.00 News  
11.10 Saturday Night at the Mill. All Regions as BBC-1 except at the following times:  
WALLES—12.00 News and Weather for Wales  
SCOTLAND—2.30-3.10 pm and

4.45-5.00 (During Grandstand) The National Bank National Senior Athletics Championships, 8.20-10.40 World Cup: Peru v. Scotland (Scottish commentary), 12.00 News and Weather for Scotland  
**NORTHERN IRELAND—5.20**  
5.25 p.m. Northern Ireland News and Sport, 12.00 News and Weather for Northern Ireland  
**BBC 2**  
7.40 a.m.-2.20 p.m.: Open University  
2.20 Open University Congregation at Alexandra Palace  
3.55 The Money Programme  
4.50 Cricket: First Test: England v. Pakistan  
6.25 News and Sport  
6.45 Trooping the Colour (highlights)  
7.35 Rugby Heritage  
8.25 News on 2  
8.40 Gregory Peck in 'The Snows of Kilimanjaro'  
10.20 Scottish First Test: (highlights)  
11.00 Cricket: First Test: (highlights)  
11.25 11.55-11.58 p.m. The Embassy Trophy: Rugby League Sevens (11.25, 11.58) The Embassy Sevens Trophy: 3.00 Final Score including racing results and cricket scoreboard.  
**LONDON**  
8.50 a.m. Sesame Street, 9.45 Half our Show, 10.15 The Monkees, 10.45 P. Show, 11.30 Sports Illustrated  
12.30 p.m. World of Sport: 12.35 World Cup 78: 12.35 International Sports Special (1) The World Target Diving Championship from Perth, Lauderdale, Florida, 1.15 News from ITN, 1.20 The ITV Seven—1.20, 2.00, 2.30 and 3.00 from Ayr, 1.45, 2.15 and 2.45 from Perth, 2.50 and 3.10 from Glasgow, 3.15 from London, 3.20 from Edinburgh, 3.25 from Glasgow, 3.30 from London, 3.35 from Edinburgh, 3.40 from Glasgow, 3.45 from London, 3.50 from Edinburgh, 3.55 from Glasgow, 4.00 from London, 4.05 from Edinburgh, 4.10 from Glasgow, 4.15 from London, 4.20 from Edinburgh, 4.25 from Glasgow, 4.30 from London, 4.35 from Edinburgh, 4.40 from Glasgow, 4.45 from London, 4.50 from Edinburgh, 4.55 from Glasgow, 5.00 from London, 5.05 from Edinburgh, 5.10 from Glasgow, 5.15 from London, 5.20 from Edinburgh, 5.25 from Glasgow, 5.30 from London, 5.35 from Edinburgh, 5.40 from Glasgow, 5.45 from London, 5.50 from Edinburgh, 5.55 from Glasgow, 6.00 from London, 6.05 from Edinburgh, 6.10 from Glasgow, 6.15 from London, 6.20 from Edinburgh, 6.25 from Glasgow, 6.30 from London, 6.35 from Edinburgh, 6.40 from Glasgow, 6.45 from London, 6.50 from Edinburgh, 6.55 from Glasgow, 7.00 from London, 7.05 from Edinburgh, 7.10 from Glasgow, 7.15 from London, 7.20 from Edinburgh, 7.25 from Glasgow, 7.30 from London, 7.35 from Edinburgh, 7.40 from Glasgow, 7.45 from London, 7.50 from Edinburgh, 7.55 from Glasgow, 8.00 from London, 8.05 from Edinburgh, 8.10 from Glasgow, 8.15 from London, 8.20 from Edinburgh, 8.25 from Glasgow, 8.30 from London, 8.35 from Edinburgh, 8.40 from Glasgow, 8.45 from London, 8.50 from Edinburgh, 8.55 from Glasgow, 9.00 from London, 9.05 from Edinburgh, 9.10 from Glasgow, 9.15 from London, 9.20 from Edinburgh, 9.25 from Glasgow, 9.30 from London, 9.35 from Edinburgh, 9.40 from Glasgow, 9.45 from London, 9.50 from Edinburgh, 9.55 from Glasgow, 10.00 from London, 10.05 from Edinburgh, 10.10 from Glasgow, 10.15 from London, 10.20 from Edinburgh, 10.25 from Glasgow, 10.30 from London, 10.35 from Edinburgh, 10.40 from Glasgow, 10.45 from London, 10.50 from Edinburgh, 10.55 from Glasgow, 11.00 from London, 11.05 from Edinburgh, 11.10 from Glasgow, 11.15 from London, 11.20 from Edinburgh, 11.25 from Glasgow, 11.30 from London, 11.35 from Edinburgh, 11.40 from Glasgow, 11.45 from London, 11.50 from Edinburgh, 11.55 from Glasgow, 12.00 from London, 12.05 from Edinburgh, 12.10 from Glasgow, 12.15 from London, 12.20 from Edinburgh, 12.25 from Glasgow, 12.30 from London, 12.35 from Edinburgh, 12.40 from Glasgow, 12.45 from London, 12.50 from Edinburgh, 12.55 from Glasgow, 1.00 from London, 1.05 from Edinburgh, 1.10 from Glasgow, 1.15 from London, 1.20 from Edinburgh, 1.25 from Glasgow, 1.30 from London, 1.35 from Edinburgh, 1.40 from Glasgow, 1.45 from London, 1.50 from Edinburgh, 1.55 from Glasgow, 2.00 from London, 2.05 from Edinburgh, 2.10 from Glasgow, 2.15 from London, 2.20 from Edinburgh, 2.25 from Glasgow, 2.30 from London, 2.35 from Edinburgh, 2.40 from Glasgow, 2.45 from London, 2.50 from Edinburgh, 2.55 from Glasgow, 3.00 from London, 3.05 from Edinburgh, 3.10 from Glasgow, 3.15 from London, 3.20 from Edinburgh, 3.25 from Glasgow, 3.30 from London, 3.35 from Edinburgh, 3.40 from Glasgow, 3.45 from London, 3.50 from Edinburgh, 3.55 from Glasgow, 4.00 from London, 4.05 from Edinburgh, 4.10 from Glasgow, 4.15 from London, 4.20 from Edinburgh, 4.25 from Glasgow, 4.30 from London, 4.35 from Edinburgh, 4.40 from Glasgow, 4.45 from London, 4.50 from Edinburgh, 4.55 from Glasgow, 5.00 from London, 5.05 from Edinburgh, 5.10 from Glasgow, 5.15 from London, 5.20 from Edinburgh, 5.25 from Glasgow, 5.30 from London, 5.35 from Edinburgh, 5.40 from Glasgow, 5.45 from London, 5.50 from Edinburgh, 5.55 from Glasgow, 6.00 from London, 6.05 from Edinburgh, 6.10 from Glasgow, 6.15 from London, 6.20 from Edinburgh, 6.25 from Glasgow, 6.30 from London, 6.35 from Edinburgh, 6.40 from Glasgow, 6.45 from London, 6.50 from Edinburgh, 6.55 from Glasgow, 7.00 from London, 7.05 from Edinburgh, 7.10 from Glasgow, 7.15 from London, 7.20 from Edinburgh, 7.25 from Glasgow, 7.30 from London, 7.35 from Edinburgh, 7.40 from Glasgow, 7.45 from London, 7.50 from Edinburgh, 7.55 from Glasgow, 8.00 from London, 8.05 from Edinburgh, 8.10 from Glasgow, 8.15 from London, 8.20 from Edinburgh, 8.25 from Glasgow, 8.30 from London, 8.35 from Edinburgh, 8.40 from Glasgow, 8.45 from London, 8.50 from Edinburgh, 8.55 from Glasgow, 9.00 from London, 9.05 from Edinburgh, 9.10 from Glasgow, 9.15 from London, 9.20 from Edinburgh, 9.25 from Glasgow, 9.30 from London, 9.35 from Edinburgh, 9.40 from Glasgow, 9.45 from London, 9.50 from Edinburgh, 9.55 from Glasgow, 10.00 from London, 10.05 from Edinburgh, 10.10 from Glasgow, 10.15 from London, 10.20 from Edinburgh, 10.25 from Glasgow, 10.30 from London, 10.35 from Edinburgh, 10.40 from Glasgow, 10.45 from London, 10.50 from Edinburgh, 10.55 from Glasgow, 11.00 from London, 11.05 from Edinburgh, 11.10 from Glasgow, 11.15 from London, 11.20 from Edinburgh, 11.25 from Glasgow, 11.30 from London, 11.35 from Edinburgh, 11.40 from Glasgow, 11.45 from London, 11.50 from Edinburgh, 11.55 from Glasgow, 12.00 from London, 12.05 from Edinburgh, 12.10 from Glasgow, 12.15 from London, 12.20 from Edinburgh, 12.25 from Glasgow, 12.30 from London, 12.35 from Edinburgh, 12.40 from Glasgow, 12.45 from London, 12.50 from Edinburgh, 12.55 from Glasgow, 1.00 from London, 1.05 from Edinburgh, 1.10 from Glasgow, 1.15 from London, 1.20 from Edinburgh, 1.25 from Glasgow, 1.30 from London, 1.35 from Edinburgh, 1.40 from Glasgow, 1.45 from London, 1.50 from Edinburgh, 1.55 from Glasgow, 2.00 from London, 2.05 from Edinburgh, 2.10 from Glasgow, 2.15 from London, 2.20 from Edinburgh, 2.25 from Glasgow, 2.30 from London, 2.35 from Edinburgh, 2.40 from Glasgow, 2.45 from London, 2.50 from Edinburgh, 2.55 from Glasgow, 3.00 from London, 3.05 from Edinburgh, 3.10 from Glasgow, 3.15 from London, 3.20 from Edinburgh, 3.25 from Glasgow, 3.30 from London, 3.35 from Edinburgh, 3.40 from Glasgow, 3.45 from London, 3.50 from Edinburgh, 3.55 from Glasgow, 4.00 from London, 4.05 from Edinburgh, 4.10 from Glasgow, 4.15 from London, 4.20 from Edinburgh, 4.25 from Glasgow, 4.30 from London, 4.35 from Edinburgh, 4.40 from Glasgow, 4.45 from London, 4.50 from Edinburgh, 4.55 from Glasgow, 5.00 from London, 5.05 from Edinburgh, 5.10 from Glasgow, 5.15 from London, 5.20 from Edinburgh, 5.25 from Glasgow, 5.30 from London, 5.35 from Edinburgh, 5.40 from Glasgow, 5.45 from London, 5.50 from Edinburgh, 5.55 from Glasgow, 6.00 from London, 6.05 from Edinburgh, 6.10 from Glasgow, 6.15 from London, 6.20 from Edinburgh, 6.25 from Glasgow, 6.30 from London, 6.35 from Edinburgh, 6.40 from Glasgow, 6.45 from London, 6.50 from Edinburgh, 6.55 from Glasgow, 7.00 from London, 7.05 from Edinburgh, 7.10 from Glasgow, 7.15 from London, 7.20 from Edinburgh, 7.25 from Glasgow, 7.30 from London, 7.35 from Edinburgh, 7.40 from Glasgow, 7.45 from London, 7.50 from Edinburgh, 7.55 from Glasgow, 8.00 from London, 8.05 from Edinburgh, 8.10 from Glasgow, 8.15 from London, 8.20 from Edinburgh, 8.25 from Glasgow, 8.30 from London, 8.35 from Edinburgh, 8.40 from Glasgow, 8.45 from London, 8.50 from Edinburgh, 8.55 from Glasgow, 9.00 from London, 9.05 from Edinburgh, 9.10 from Glasgow, 9.15 from London, 9.20 from Edinburgh, 9.25 from Glasgow, 9.30 from London, 9.35 from Edinburgh, 9.40 from Glasgow, 9.45 from London, 9.50 from Edinburgh, 9.55 from Glasgow, 10.00 from London, 10.05 from Edinburgh, 10.10 from Glasgow, 10.15 from London, 10.20 from Edinburgh, 10.25 from Glasgow, 10.30 from London, 10.35 from Edinburgh, 10.40 from Glasgow, 10.45 from London, 10.50 from Edinburgh, 10.55 from Glasgow, 11.00 from London, 11.05 from Edinburgh, 11.10 from Glasgow, 11.15 from London, 11.20 from Edinburgh, 11.25 from Glasgow, 11.30 from London, 11.35 from Edinburgh, 11.40 from Glasgow, 11.45 from London, 11.50 from Edinburgh, 11.55 from Glasgow, 12.00 from London, 12.05 from Edinburgh, 12.10 from Glasgow, 12.15 from London, 12.20 from Edinburgh, 12.25 from Glasgow, 12.30 from London, 12.35 from Edinburgh, 12.40 from Glasgow, 12.45 from London, 12.50 from Edinburgh, 12.55 from Glasgow, 1.00 from London, 1.05 from Edinburgh, 1.10 from Glasgow, 1.15 from London, 1.20 from Edinburgh, 1.25 from Glasgow, 1.30 from London, 1.35 from Edinburgh, 1.40 from Glasgow, 1.45 from London, 1.50 from Edinburgh, 1.55 from Glasgow, 2.00 from London, 2.05 from Edinburgh, 2.10 from Glasgow, 2.15 from London, 2.20 from Edinburgh, 2.25 from Glasgow, 2.30 from London, 2.35 from Edinburgh, 2.40 from Glasgow, 2.45 from London, 2.50 from Edinburgh, 2.55 from Glasgow, 3.00 from London, 3.05 from Edinburgh, 3.10 from Glasgow, 3.15 from London, 3.20 from Edinburgh, 3.25 from Glasgow, 3.30 from London, 3.35 from Edinburgh, 3.40 from Glasgow, 3.45 from London, 3.50 from Edinburgh, 3.55 from Glasgow, 4.00 from London, 4.05 from Edinburgh, 4.10 from Glasgow, 4.15 from London, 4.20 from Edinburgh, 4.25 from Glasgow, 4.30 from London, 4.35 from Edinburgh, 4.40 from Glasgow, 4.45 from London, 4.50 from Edinburgh, 4.55 from Glasgow, 5.00 from London, 5.05 from Edinburgh, 5.10 from Glasgow, 5.15 from London, 5.20 from Edinburgh, 5.25 from Glasgow, 5.30 from London, 5.35 from Edinburgh, 5.40 from Glasgow, 5.45 from London, 5.50 from Edinburgh, 5.55 from Glasgow, 6.00 from London, 6.05 from Edinburgh, 6.10 from Glasgow, 6.15 from London, 6.20 from Edinburgh, 6.25 from Glasgow, 6.30 from London, 6.35 from Edinburgh, 6.40 from Glasgow, 6.45 from London, 6.50 from Edinburgh, 6.55 from Glasgow, 7.00 from London, 7.05 from Edinburgh, 7.10 from Glasgow, 7.15 from London, 7.20 from Edinburgh, 7.25 from Glasgow, 7.30 from London, 7.35 from Edinburgh, 7.40 from Glasgow, 7.45 from London, 7.50 from Edinburgh, 7.55 from Glasgow, 8.00 from London, 8.05 from Edinburgh, 8.10 from Glasgow, 8.15 from London, 8.20 from Edinburgh, 8.25 from Glasgow, 8.30 from London, 8.35 from Edinburgh, 8.40 from Glasgow, 8.45 from London, 8.50 from Edinburgh, 8.55 from Glasgow, 9.00 from London, 9.05 from Edinburgh, 9.10 from Glasgow, 9.15 from London, 9.20 from Edinburgh, 9.25 from Glasgow, 9.30 from London, 9.35 from Edinburgh, 9.40 from Glasgow, 9.45 from London, 9.50 from Edinburgh, 9.55 from Glasgow, 10.00 from London, 10.05 from Edinburgh, 10.10 from Glasgow, 10.15 from London, 10.20 from Edinburgh, 10.25 from Glasgow, 10.30 from London, 10.35 from Edinburgh, 10.40 from Glasgow, 10.45 from London, 10.50 from Edinburgh, 10.55 from Glasgow, 11.00 from London, 11.05 from Edinburgh, 11.10 from Glasgow, 11.15 from London, 11.20 from Edinburgh, 11.25 from Glasgow, 11.30 from London, 11.35 from Edinburgh, 11.40 from Glasgow, 11.45 from London, 11.50 from Edinburgh, 11.55 from Glasgow, 12.00 from London, 12.05 from Edinburgh, 12.10 from Glasgow, 12.15 from London, 12.20 from Edinburgh, 12.25 from Glasgow, 12.30 from London, 12.35 from Edinburgh, 12.40 from Glasgow, 12.45 from London, 12.50 from Edinburgh, 12.55 from Glasgow, 1.00 from London, 1.05 from Edinburgh, 1.10 from Glasgow, 1.15 from London, 1.20 from Edinburgh, 1.25 from Glasgow, 1.30 from London, 1.35 from Edinburgh, 1.40 from Glasgow, 1.45 from London, 1.50 from Edinburgh, 1.55 from Glasgow, 2.00 from London, 2.05 from Edinburgh, 2.10 from Glasgow, 2.15 from London, 2.20 from Edinburgh, 2.25 from Glasgow, 2.30 from London, 2.35 from Edinburgh, 2.40 from Glasgow, 2.45 from London, 2.50 from Edinburgh, 2.55 from Glasgow, 3.00 from London, 3.05 from Edinburgh, 3.10 from Glasgow, 3.15 from London, 3.20 from Edinburgh, 3.25 from Glasgow, 3.30 from London, 3.35 from Edinburgh, 3.40 from Glasgow, 3.45 from London, 3.50 from Edinburgh, 3.55 from Glasgow, 4.00 from London, 4.05 from Edinburgh, 4.10 from Glasgow, 4.15 from London, 4.20 from Edinburgh, 4.25 from Glasgow, 4.30 from London, 4.35 from Edinburgh, 4.40 from Glasgow, 4.45 from London, 4.50 from Edinburgh, 4.55 from Glasgow, 5.00 from London, 5.05 from Edinburgh, 5.10 from Glasgow, 5.15 from London, 5.20 from Edinburgh, 5.25 from Glasgow, 5.30 from London, 5.35 from Edinburgh, 5.40 from Glasgow, 5.45 from London, 5.50 from Edinburgh, 5.55 from Glasgow, 6.00 from London, 6.05 from Edinburgh, 6.10 from Glasgow, 6.15 from London, 6.20 from Edinburgh, 6.25 from Glasgow, 6.30 from London, 6.35 from Edinburgh, 6.40 from Glasgow, 6.45 from London, 6.50 from Edinburgh, 6.55 from Glasgow, 7.00 from London, 7.05 from Edinburgh, 7.10 from Glasgow, 7.15 from London, 7.20 from Edinburgh, 7.25 from Glasgow, 7.30 from London, 7.35 from Edinburgh, 7.40 from Glasgow, 7.45 from London, 7.50 from Edinburgh, 7.55 from Glasgow, 8.00 from London, 8.05 from Edinburgh, 8.10 from Glasgow, 8.15 from London, 8.20 from Edinburgh, 8.25 from Glasgow, 8.30 from London, 8.35 from Edinburgh, 8.40 from Glasgow, 8.45 from London, 8.50 from Edinburgh, 8.55 from Glasgow, 9.00 from London, 9.05 from Edinburgh, 9.10 from Glasgow, 9.15 from London, 9.20 from Edinburgh, 9.25 from Glasgow, 9.30 from London, 9.35 from Edinburgh, 9.40 from Glasgow, 9.45 from London, 9.50 from Edinburgh, 9.55 from Glasgow, 10.00 from London, 10.05 from Edinburgh, 10.10 from Glasgow, 10.15 from London, 10.20 from Edinburgh, 10.25 from Glasgow, 10.30 from London, 10.35 from Edinburgh, 10.40 from Glasgow, 10.45 from London, 10.50 from Edinburgh, 10.55 from Glasgow, 11.00 from London, 11.05 from Edinburgh, 11.10 from Glasgow, 11.15 from London, 11.20 from Edinburgh, 11.25 from Glasgow, 11.30 from London, 11.35 from Edinburgh, 11.40 from Glasgow, 11.45 from London, 11.50 from Edinburgh, 11.55 from Glasgow, 12.00 from London, 12.05 from Edinburgh, 12.10 from Glasgow, 12.15 from London, 12.20 from Edinburgh, 12.25 from Glasgow, 12.30 from London, 12.35 from Edinburgh, 12.40 from Glasgow, 12.45 from London, 12.50 from Edinburgh, 12.55 from Glasgow, 1.00 from London, 1.05 from Edinburgh, 1.10 from Glasgow, 1.15 from London, 1.20 from Edinburgh, 1.25 from Glasgow, 1.30 from London, 1.35 from Edinburgh, 1.40 from Glasgow, 1.45 from London, 1.50 from Edinburgh, 1.55 from Glasgow, 2.00 from London, 2.05 from Edinburgh, 2.10 from Glasgow, 2.15 from London, 2.20 from Edinburgh, 2.25 from Glasgow, 2.30 from London, 2.35 from Edinburgh, 2.40 from Glasgow, 2.45 from London, 2.50 from Edinburgh, 2.55 from Glasgow, 3.00 from London, 3.05 from Edinburgh, 3.10 from Glasgow, 3.15 from London, 3.20 from Edinburgh, 3.25 from Glasgow, 3.30 from London, 3.35 from Edinburgh, 3.40 from Glasgow, 3.45 from London, 3.50 from Edinburgh, 3.55 from Glasgow, 4.00 from London, 4.05 from Edinburgh, 4.10 from Glasgow, 4.15 from London, 4.20 from Edinburgh, 4.25 from Glasgow, 4.30 from London, 4.35 from Edinburgh, 4.40 from Glasgow, 4.45 from London, 4.50 from Edinburgh, 4.55 from Glasgow, 5.00 from London, 5.05 from Edinburgh, 5.10 from Glasgow, 5.15 from London, 5.20 from Edinburgh, 5.25 from Glasgow, 5.30 from London, 5.35 from Edinburgh, 5.40 from Glasgow, 5.45 from London, 5.50 from Edinburgh, 5.55 from Glasgow, 6.00 from London, 6.05 from Edinburgh, 6.10 from Glasgow, 6.15 from London, 6.20 from Edinburgh, 6.25 from Glasgow, 6.30 from London, 6.35 from Edinburgh, 6.40 from Glasgow, 6.45 from London, 6.50 from Edinburgh, 6.55 from Glasgow, 7.00 from London, 7.05 from Edinburgh, 7.10 from Glasgow, 7.15 from London, 7.20 from Edinburgh, 7.25 from Glasgow, 7.30 from London, 7.35 from Edinburgh, 7.40 from Glasgow, 7.45 from London, 7.50 from Edinburgh, 7.55 from Glasgow, 8.00 from London, 8.05 from Edinburgh, 8.10 from Glasgow, 8.15 from London, 8.20 from Edinburgh, 8.25 from Glasgow, 8.30 from London, 8.35 from Edinburgh, 8.40 from Glasgow, 8.45 from London, 8.50 from Edinburgh, 8.55 from Glasgow, 9.00 from London, 9.05 from Edinburgh, 9.10 from Glasgow, 9.15 from London, 9.20 from Edinburgh, 9.25 from Glasgow, 9.30 from London, 9.35 from Edinburgh, 9.40 from Glasgow, 9.45 from London, 9.50 from Edinburgh, 9.55 from Glasgow, 10.00 from London, 10.05 from Edinburgh, 10.10 from Glasgow, 10.15 from London, 10.20 from Edinburgh, 10.25 from Glasgow, 10.30 from London, 10.35 from Edinburgh, 10.40 from Glasgow, 10.45 from London, 10.50 from Edinburgh, 10.55 from Glasgow, 11.00 from London, 11.05 from Edinburgh, 11.10 from Glasgow, 11.15 from London, 11.20 from Edinburgh, 11.25 from Glasgow, 11.30 from London, 11.35 from Edinburgh, 11.40 from Glasgow, 11.45 from London, 11.50 from Edinburgh, 11.55 from Glasgow, 12.00 from London, 12.05 from Edinburgh, 12.10 from Glasgow, 12.15 from London, 12.20 from Edinburgh, 12.25 from Glasgow, 12.30 from London, 12.35 from Edinburgh, 12.40 from Glasgow, 12.45 from London, 12.50 from Edinburgh, 12.55 from Glasgow, 1.00 from London, 1.05 from Edinburgh, 1.10 from Glasgow, 1.15 from London, 1.20 from Edinburgh, 1.25 from Glasgow, 1.30 from London, 1.35 from Edinburgh, 1.40 from Glasgow, 1.45 from London, 1.50 from Edinburgh, 1.55 from Glasgow, 2.00 from London, 2.05 from Edinburgh, 2.10 from Glasgow, 2.15 from London, 2.20 from Edinburgh, 2.25 from Glasgow, 2.30 from London, 2.35 from Edinburgh, 2.40 from Glasgow, 2.45 from London, 2.50 from Edinburgh, 2.55 from Glasgow, 3.00 from London, 3.05 from Edinburgh, 3.10 from Glasgow, 3.15 from London, 3.20 from Edinburgh, 3.25 from Glasgow, 3.30 from London, 3.35 from Edinburgh, 3.40 from Glasgow, 3.45 from London, 3.50 from Edinburgh, 3.55 from Glasgow, 4.00 from London, 4.05 from Edinburgh, 4.10 from Glasgow, 4.15 from London, 4.20 from Edinburgh, 4.25 from Glasgow, 4.30 from London, 4.35 from Edinburgh, 4.40 from Glasgow, 4.45 from London, 4.50 from Edinburgh, 4.55 from Glasgow, 5.00 from London, 5.05 from Edinburgh, 5.10 from Glasgow, 5.15 from London, 5.20 from Edinburgh, 5.25 from Glasgow, 5.30 from London, 5.35 from Edinburgh, 5.40 from Glasgow, 5.45 from London, 5.50 from Edinburgh, 5.55 from Glasgow, 6.00 from London, 6.05 from Edinburgh, 6.10 from Glasgow, 6.15 from London, 6.20 from Edinburgh, 6.25 from Glasgow, 6.30 from London, 6.35 from Edinburgh, 6.40 from Glasgow, 6.45 from London, 6.50 from Edinburgh, 6.55 from Glasgow, 7.00 from London, 7.05 from Edinburgh, 7.10 from Glasgow, 7.15 from London, 7.20 from Edinburgh, 7.25 from Glasgow, 7.30 from London, 7.35 from Edinburgh, 7.40 from Glasgow, 7.45 from London, 7.50 from Edinburgh, 7.55 from Glasgow, 8.00 from London, 8.05 from Edinburgh, 8.10 from Glasgow, 8.15 from London, 8.20 from Edinburgh, 8.25 from Glasgow, 8.30 from London, 8.35 from Edinburgh, 8.40 from Glasgow, 8.45 from London, 8.50 from Edinburgh, 8.55 from Glasgow, 9.00 from London, 9.05 from Edinburgh, 9.10 from Glasgow, 9.15 from London, 9.20 from Edinburgh, 9.25 from Glasgow, 9.30 from London, 9.35 from Edinburgh, 9.40 from Glasgow, 9.45 from London, 9.50 from Edinburgh, 9.55 from Glasgow, 10.00 from London, 10.05 from Edinburgh, 10.10 from Glasgow, 10.15 from London, 10.20 from Edinburgh, 10.25 from Glasgow, 10.30 from London, 10.35 from Edinburgh, 10.40 from Glasgow, 10.45 from London, 10.50 from Edinburgh, 10.55 from Glasgow, 11.00 from London, 11.05 from Edinburgh, 11.10 from Glasgow, 11.15 from London, 11.20 from Edinburgh, 11.25 from Glasgow, 11.30 from London, 11.35 from Edinburgh, 11.40 from Glasgow, 11.45 from London, 11.50 from Edinburgh, 11.55 from Glasgow, 12.00 from London, 12.05 from Edinburgh, 12.10 from Glasgow, 12.15 from London, 12.20 from Edinburgh, 12.25 from Glasgow, 12.30 from London, 12.35 from Edinburgh, 12.40 from Glasgow, 12.45 from London, 12.50 from Edinburgh, 12.55 from Glasgow, 1.00 from London, 1.05 from Edinburgh, 1.10 from Glasgow, 1.15 from London, 1.20 from Edinburgh, 1.25 from Glasgow, 1.30 from London, 1.35 from Edinburgh, 1.40 from Glasgow, 1.45 from London, 1.50 from Edinburgh, 1.55 from Glasgow, 2.00 from London, 2.05 from Edinburgh, 2.10 from Glasgow, 2.15 from London, 2.20 from Edinburgh, 2.25 from Glasgow, 2.30 from London, 2.35 from Edinburgh, 2.40 from Glasgow, 2.45 from London, 2.50 from Edinburgh, 2.55 from Glasgow, 3.00 from London, 3.05 from Edinburgh, 3.10 from Glasgow, 3.15 from London, 3.20 from Edinburgh, 3.25 from Glasgow, 3.30 from London, 3.35 from Edinburgh, 3.40 from Glasgow, 3.45 from London, 3.50 from Edinburgh, 3.55 from Glasgow, 4.00 from London, 4.05 from Edinburgh, 4.10 from Glasgow, 4.15 from London, 4.20 from Edinburgh, 4.25 from Glasgow, 4.30 from London, 4.35 from Edinburgh, 4.40 from Glasgow, 4.45 from London, 4.50 from Edinburgh, 4.55 from Glasgow, 5.00 from London, 5.05 from Edinburgh, 5.10 from Glasgow, 5.15 from London, 5.20 from Edinburgh, 5.25 from Glasgow, 5.30 from London, 5.35 from Edinburgh, 5.40 from Glasgow, 5.45 from London, 5.50 from Edinburgh, 5.55 from Glasgow, 6.00 from London, 6.05 from Edinburgh, 6.10 from Glasgow, 6.15 from London, 6.20 from Edinburgh, 6.25 from Glasgow, 6.30 from London, 6.35 from Edinburgh, 6.40 from Glasgow, 6.45 from London, 6.50 from Edinburgh, 6.55 from Glasgow, 7.00 from London, 7.05 from Edinburgh, 7.10



**BY JANET MARSH**

BY JOE RENNISON



## FINANCIAL TIMES

BRACKEN HOUSE, CANNON STREET, LONDON EC4A 3BY  
 Telegrams: Finantime, London PS4. Telex: 886341/2, 883897  
 Telephone: 01-248 8000

Saturday June 3 1978

# Next month's Summit

UK AND U.S. markets were closed on Monday, U.S. banks on Tuesday: it has been a short week and a quiet one. In London, the demand for gilt-edged has again been held down by the feeling—even stronger since the return to a Minimum Lending Rate administratively fixed by the Treasury and the Bank—that the Government's targets for the public sector borrowing requirement and the growth of the money supply will be difficult to reconcile with one another. Either the Chancellor's commitment to strict control of monetary growth is to be dropped and the risk of rapid inflation to be ignored, the argument runs, or interest rates will have to move still higher.

Whichever alternative is chosen as the more likely, there seems to be little case for rushing immediately into gilt, even though yields on long-dated stock have now risen above 13 per cent. The dilemma would be false if there were any prospect of the Chancellor announcing cuts in public expenditure to at least offset the post-Budget cuts in direct taxation, but there is no sign of this. With the probability growing of an autumn election, indeed, the markets seem to have dismissed this idea for the time being.

There have been two new factors in the past quiet week to strengthen the feeling that interest rates have not yet reached a peak. The first (of obvious pre-election importance) is the outlook for mortgage rates, the second the forecasts of the National Institute.

## Mortgage rates

The net inflow of funds into the building societies has fallen sharply during the past few months. They have cushioned this fall to some extent by drawing on reserves (which implies large net sales of gilt-edged in contrast to large purchases last year) but will have to make their deposit rates more competitive if they are to continue lending at the same pace. It seemed possible that the Government, which asked them to restrict the size of their total mortgage lending when it appeared that house prices might rise sharply, would discourage them from taking in more money to lend. At this week's meeting of a committee made up of Government and building society officials, however, no objection seems to have been made to a rise in rates, which may now well be recom-

mended by the Association either this month or next. The National Institute of Economic and Social Research usually devotes more space in its Review to incomes policy than to monetary affairs. This week's issue contains little reference to incomes policy but a monetary section which concludes that the Government will be able to meet its target for growth of the money supply without too much difficulty. The markets were probably less impressed by this conclusion than to the two conditions attached to it—that short-term interest rates will rise still further and that domestic credit expansion this year will be considerably higher than the figure to which the Government is committed.

## 1979 outlook

The difference between the growth of the money supply and domestic credit expansion is largely made up of movements on the foreign exchange market. Just as the money supply grew faster than intended while hot money from abroad was swelling the official reserves, so it will be the case to control while the reserve is falling: that is why the International Monetary Fund deals in terms of DCE rather than monetary growth. The reserve fell again last month, though by considerably less than in April. This was a direct result of intervention to support the exchange rate at around its present level—a policy which is being maintained—and might have been worse but for the weakness of the dollar caused by the latest U.S. trade and price statistics. Monetary questions apart, the latest National Institute forecast is undoubtedly gloomy. It foresees a short-lived recovery in output this year as a result of higher consumer spending and capital investment, followed by a sharp deceleration in growth during 1979, accompanied by a renewal of two-figure inflation and a gradual rise in unemployment. The year will have to make up for its deficit in output, moreover, as it is described as small—principally because it would reduce the prospective payments surplus, push down the sterling exchange rate and exacerbate inflationary trends. The economic outlook for the UK, in short, depends largely on agreement at the July Economic Summit meeting on measures to stimulate growth and trade. This week's failure by the Economic Policy Committee of the OECD to accept a set of forecasts and proposals put forward by its officials is not an altogether promising augury.

# Why Mobutu needs a Western safety net

BY MARK WEBSTER IN KINSHASA

THE swift and dramatic intervention of French paratroops in Zaire's Shaba province two weeks ago did more than just protect European civilians and investment: it served yet again to save the political neck of one of Africa's greatest survivors, the country's President for the past 13 years, Mobutu Sese Seko.

For the second time in just over a year it required a foreign power to defend the territorial integrity of the second biggest country on the continent with its 25m people. That Zaire was unable to defend itself against a rebel force of about 2,000 says something about the ungovernability of the vast country and a lot about the state of its Government.

There is no doubt that the war in Shaba further weakened the position of President Mobutu both politically and economically. But as the meeting of Western powers in Paris on Monday will show, he is not without powerful friends abroad.

The Paris meeting will examine fresh ways of propping up the crippled Zaire economy and will also look at the country's security problems. But some countries, notably Britain, are known to have strong reservations about one idea currently being floated—that of Western support for the stationing in Shaba of a permanent foreign force drawn from African countries (such as Senegal and the Ivory Coast) which take a staunchly anti-Communist line.

The West has already made it clear that it is not prepared to provide permanent combat troops itself for Zaire and it is only a matter of time, probably one to three months, before the French and Belgians pull out. But President Carter, speaking at the Nato Summit in Washington, underlined Western determination to stop the spread of Communist influence in Africa, and given Western aid, President Mobutu promises to remain a bulwark against Soviet and Cuban expansion in the continent.

In the face of a well-armed and to begin with, well-disciplined force, the Zairean army melted into the bush. Demoralised by irregular pay, poor training and successive purges to stamp out opposition to the Government, it had no heart for a fight and left the European population as well as the Zaireans to the mercy of the rebels.

## Psychological victory

The rebels were therefore of the same Lunda and Baluba tribes which inhabit Shaba. In many places they were welcomed by the population as conquering heroes and even some of the Zairean army threw in its lot with them. Without foreign intervention there is no doubt they could have stayed as long as they liked. But there was no need for them to stay any longer—they had already achieved a

major psychological victory by driving the white population from Kolwezi. White technical expertise puts the iron in the country's otherwise anaemic economic bloodstream.

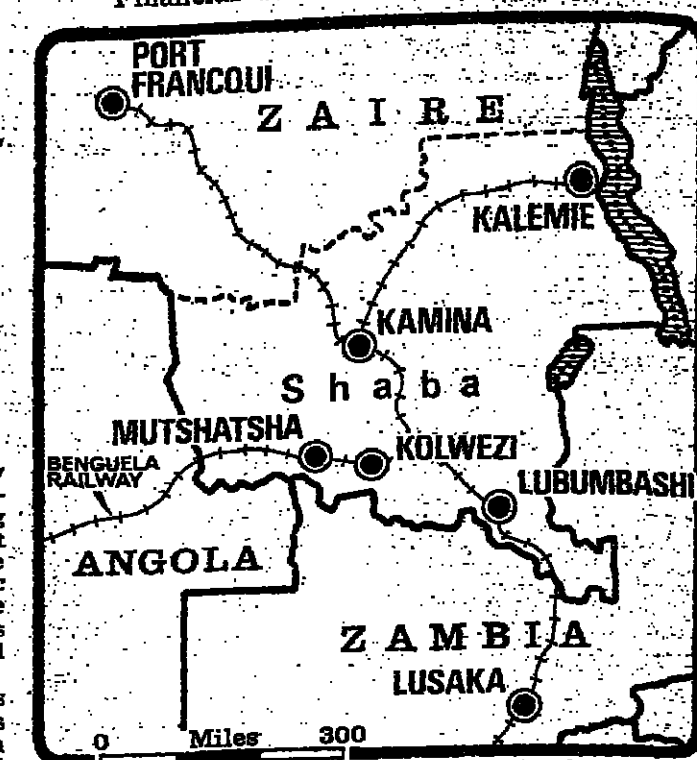
Western strategists believe the rebels intended to mount a hit-and-run raid. They were not simply ageing soldiers hurrying for their homeland, most of them were young men well steeped in the ideology of their adopted country. Though there is no conclusive evidence of Cuban participation in the incursion, there is little doubt the rebels were Cuban trained and their aim was not simply the independence of Shaba, but the overthrow of Mobutu and the end of the Congo's pro-Western stance.

Want that to happen and the U.S., Belgium and France, in particular, will be looking at ways of reassuring the whites and containing, if not defeating, the rebels. However, the idea of a Western-supported pan-African force presents immense problems. To whom would it be responsible? What would be the definition of its task? Whatever the West decides, either as regards the economy or Zaire's security, it will lay down tough conditions to President Mobutu over the running of his country.

President Mobutu has shown a public willingness to put his country under the tutelage of the International Monetary Fund but is said in private to



President Mobutu at the Elysee Palace earlier this year with President Giscard d'Estaing: Monday's meeting of the Western powers in Paris will look at new ways of propping up Zaire's economy.



more fact that Zaire is drawn on a map gives an artificial impression of nationhood which is still not widely felt on the ground.

Not that the President takes any chances. Since he came to power he has pursued an active policy of suppression of opposition, both real or imagined. The civilian population is watched by the secret police of the National Documentation Centre (CND) and in the army there is a parallel hierarchy which owes its allegiance directly to Mobutu.

There have been numerous purges in the army, especially after last year's fighting in Shaba. In March this year the President ignored international appeals for clemency and executed 13 people, including nine army officers, for allegedly plotting a coup.

Observers say Mobutu holds the country together with "mirrors, string and bits of chewing gum." But whatever Western reservations about the man and his policies, there is no one obvious alternative to him because he has taken pains to make sure there is none. Promising newcomers to the political scene are eased out before they can form a power base of their own.

The President continues to hold the reins, though the horse keeps bucking. His special plea to the West will be to bail him out economically, for the one thing which could finally overthrow him is the economy.

"Most of the people are not against the President. But there has to be a change. When the people haven't got enough to eat they are going to go mad," said an unusually outspoken taxi driver. And there are persistent food shortages. In March, flour was in short supply in Kinshasa and bread shops in the city were empty. In country areas, flour has been unobtainable for up to six months at a time. The price of a sack of manioc, one staple food, is now the equivalent of a rural worker's monthly wage and the sacks, just enough to feed a family for a month, are getting smaller. In the country, President Mobutu would be able to count himself secure for as long as he wanted to stay. But as one diplomat in Kinshasa came mostly from people's stomachs. "It's incredible what I they have been putting up with," was not born to rule Zaire."

But they won't put up with it forever. Solving Zaire's economic problems would have been an appropriate task for Hercules. They dwarf those of many other less developed countries, yet they were born of the country's very prosperity during the boom in copper prices during 1973 and 1974.

It was at this time that Zaire began to borrow very heavily, without anyone calculating until too late how deep the country was getting into debt.

To this was added general economic inefficiency, notably in the agricultural sector: Zaire, once self sufficient in food production, now has a food import bill of \$300m a year. The economy has become completely jobless.

Copper and cobalt accounted for 80 per cent of export earnings just before copper prices slumped. When the fall came, Zaire's copper revenues fell \$600m in 1975—less than half the revenue in 1973. Meanwhile, the debt servicing ratio has increased dramatically.

An anticipated new loan of \$220m from a consortium of banks led by Citibank is in jeopardy. The loan depends on an IMF-designed economic stabilisation programme being implemented, but there is little likelihood of the IMF package being put into effect in the near future.

Gross Domestic Product is estimated to have declined by around 5 per cent a year in 1976 and 1977. The same pessimistic forecasts were being made for 1978 even before the fighting broke out. Foreign exchange is desperately short and will get even more scarce now that the mines, which provide around 60 per cent of foreign exchange earnings, are not producing.

If the West were to provide both military and economic aid and lay down strict guidelines on how to run the economy, President Mobutu would be able to count himself secure for as long as he wanted to stay. But as one diplomat in Kinshasa came mostly from people's stomachs. "It's incredible what I they have been putting up with," was not born to rule Zaire."

## Economic package

## Letters to the Editor

### Good life

From Mr. H. M. F. Mallett.  
 Sir, I read with interest Mr. J. Smith's letter of May 31, his second on the financial advantages of upping out and taking up what he describes as the "good life."

It seems that this has so far involved collecting unemployment benefit, tax and pension rebates, and a profit on unlettable (private) improvement of agricultural property. Ahead for Mr. Smith and his common law wife lie larger, but as yet unrealised, profits from further development in much more expensive property fields; and even further on the horizon, dealing in the export of antiques and writing books about them, mainly in order to be able to set off huge expenses against nebulous future earnings.

It may be too late for Mr. Smith, if he really exists, which does not worry me much, but in case your readers should be tempted to adopt a similar course a little amateur advice in the opposite direction seems timely.

Starting backwards, it is very difficult to make a living out of writing, even about antiques. You haven't only to write, you have to find a publisher. Tax men, as writers and publishers are aware (and as a bit of each, in a small but at least regularly profitable way, I should know) are resistant even to justified expenses against earnings. Overseas holidays spent on sunny beaches, allegedly researching, are just not on.

I am also reasonably convinced that trading in antiques is very risky and needs a fair amount of capital, not to say expertise. Developing properties privately owned on the assumption that prices always go up and that buyers and sellers are always around to suit your plans is one of the quickest ways to bankruptcy the statisticians know. If ever I read a phrase portending doom it was Mr. Smith's analysis to the effect that "at an annual compound interest rate of 10 per cent the house could be sold for £100,000 in five years' time. The return is this £100,000 a year tax free... and the investment is safe." My father bought a house after the First World War and it didn't reach the purchase price again until the mid-fifties. Mr. Smith would do a lot better

to try to get his old job back, even to marry his common law wife in case the tax situation ever makes it worth her while to leave him and shack up with some more expert property developer (and there aren't many of those, either, as the last slump showed). He could even develop, in due course, a sense of humour about the "good life" by making a contribution through work and tax to a society with many faults (who more aware of it than one of the self-employed?) but also many advantages. It can be great simply to feel that you aren't a parasite.

H. M. F. Mallett,  
 26, Chapel Street,  
 Bradford.

### Values

From Mr. D. M. Toft

Sir—We are told that money is not wealth but a claim on wealth. Quite so, but the whole problem of money is that the State has appropriated to itself the monopoly rights of producing what its subjects are obliged to accept as legal tender. This might work if governments could be trusted not to tamper with the purchasing power of these claims by recklessly increasing the supply of "claim units" thus defrauding their creditors and lowering the value of the means of exchange. The virtue of gold is that it acts as an automatic and universal regulator of the value of "claim units" and therefore acts as a constraint on governments and is abhorred by them for this reason. Because an increasing number of people no longer have any confidence in the ultimate managers of their wealth they are turning to gold which will establish itself as an authentic parallel system of exchange.

D. M. Toft,  
 21, The Gables, Church House,  
 Godalming, Surrey.

### Gold hoard

From Dr. Geoffrey Middleton.  
 Sir—Mr. G. E. Lee (May 25) calls distrust of the present international monetary system an "obsession" and suggests that permission to buy gold "as a commodity" would satisfy those alarmed at having to hold paper money. It is not just

a question of what people hoard—that can be done in gold now in most of western Europe—but how to make it worth her while to leave him and shack up with some more expert property developer (and there aren't many of those, either, as the last slump showed). He could even develop, in due course, a sense of humour about the "good life" by making a contribution through work and tax to a society with many faults (who more aware of it than one of the self-employed?) but also many advantages. It can be great simply to feel that you aren't a parasite.

The only two remedies for this, as the late Jacques Rueff pointed out back in 1972, are the re-establishment of a gold standard or succumbing to totalitarianism. The attitude of the United States monetary authorities has always been "I'm alright, Jacques!" and to let the world's currencies go hang. Merely sneering at gold is not going to save the dollar, and France's greatest economist happened to be right. When the day of reckoning arrives there will be an avalanche of panic liquidation of credit and every-one will find, to their horror, that paper money has become of very little value. Then, in desperation, dictatorship may well prevail, and Lenin (and Keynes) will have won the day. Geoffrey Middleton,  
 Blue Moon,  
 1867, Glattstrasse-sur-Ollon,  
 Vaud, Switzerland.

### Money control

From Mr. Malcolm Roberts

Sir—The current impasse between the financial institutions and the government rests on the government's Canute-like posture over monetary control. Bank lending to the private sector and overseas has grown by £1.7bn during the last three months, in sharp contrast with the fall of £0.2bn during the same period last year. On this present policy it is highly unlikely that the £26bn DCE limit can be met: indeed it would require the entire increase in institutional cash flow to be devoted to new gilt issues. Under the present insurance company—building society monetary control is required. Everyone knows that the banking system has moved to cushioning itself against the imposition of

the corset—this is now a dead duck. But the banks' reserve asset base is unconformably high even though money has moved out of the country, and it is now up to the authorities to act on this base. A 2 per cent call for special deposits would take £550m out of banks' liquidity and should quickly lead to a reduction in new lending.

### Insurance

From Mr. Peter R. James

Sir—The decision given in the court action Woolcott v. Sun Alliance and London Insurance Co. Ltd. should cause grave concern over the present agency agreements that presently exist between most major insurance companies and building societies. The plaintiff in the action owned and insured a property for £30,000 through his building society in conjunction with his mortgage. The present state of affairs for the majority of building society borrowers. The Court held that what was at issue was, in fact, two separate insurance interests, the building society interest (the amount of the debt) and the consumer interest (the amount available to the consumer after repayment of the Building Society debt). As a result of this contention, it was found to be acceptable that the government's Canute-like posture over monetary control, Bank lending to the private sector and overseas has grown by £1.7bn during the last three months, in sharp contrast with the fall of £0.2bn during the same period last year. On this present policy it is highly unlikely that the £26bn DCE limit can be met: indeed it would require the entire increase in institutional cash flow to be devoted to new gilt issues. Under the present insurance company—building society monetary control is required. Everyone knows that the banking system has moved to cushioning itself against the imposition of

pleted giving as is usual the information that a prudent underwriter needs to know before assuming an insurance risk. This does not, of course, remove the obligation of disclosing this information on the part of the consumer, it simply means he must disclose this information to the insurance company's agent, i.e. the building society, without being asked. This, of course, has alarming connotations: it assumes that the average consumer is aware of the questions the prudent insurer wants answered, and more importantly, there is the overt suggestion that the completion of a proposal form for household insurance is no longer necessary. The former is confounded by the very limited knowledge shown by the average person in all insurance matters. The latter is in fact far from the case. Household insurance has become far more complicated in recent years, especially with the advent of subsidence and landslide cover, in addition to which the worsening claims experience in the household insurance accounts of most insurance companies is documented fact, this has caused some companies to insist on a supplementary proposal form, in addition to the normal document, as more information, not less, is required on the property at risk.

### Postman's knock

From Mr. Bernard Campion

Sir—A bright and lightweight uniform. For wearing when the weather's warm. Will soon be modelled in the streets. By those we pay for postal fees. In short, another pleasing shock. Will punctuate the postman's knock. As we behold our mailman cool. Advancing through the vestibule.

The foregoing should confirm all potential building society borrowers to limit the property insurance with the building society to the amount being lent and to insure their own interest with much better regard to their own interest through their own insurance connections.

### Coinage

From Mr. David G. Thomas

Sir—The real reason for the comparative failure of the Franklin Mint and many British Mints (David Lancelotti, Col. Lancelotti (May 27) is that the designers of their commemorative do not know their craft. Many of their designs are fit only for freework.

Unfortunately, the Royal Mint is little better, one has only to look at our present coinage.

If the designers would study the Georgian and Victorian Commemorative Medals they might be inspired anew. Until they are, or new designers found, collectors will, rightly, refuse to buy their productions. David G. Thomas,  
 24 Heatherley Road,  
 Bournemouth.

# Retired? Need a good income with complete safety?

When you're retired you want security without worry and uncertainty. For investors like you, Tyndall offer their Maximum Income Bonds.

For example at age 60 you could get 7½% per annum after basic rate tax in two payments per year for 10 years. For higher age groups the rate can be as much as 8½%. Then you get your capital back in full. It's completely simple and straightforward.

Once the Bond is bought, your income rate is fixed and guaranteed for 10 years no matter how much other interest rates go up or down. You know exactly where you stand.

You can invest £1000 or more in this way. If this kind of investment appeals to you or you have an elderly relative or friend who needs a good trouble-free income send off the Freepost coupon now for full information. Or telephone London 01-242 9367, Bristol (0272) 32241, or Edinburgh (031) 225 1168.

**Tyndall**  
**Maximum Income Bond**  
 Tyndall Pensions Ltd, FREEPOST, Bristol BS99 7BR  
 Please send me details of Tyndall Maximum Income Bonds.  
 Name \_\_\_\_\_  
 Address \_\_\_\_\_  
 Age \_\_\_\_\_  
 Not applicable to Eire FTS/672M/8

مكتبة الأصل



# A £2m gamble on an 'impossible dream'

BY STUART ALEXANDER

AT THE moment I am saving to buy a J24, a racing sail boat 24 feet long specifically designed to give low-cost high performance. It will cost me about £5,500 plus another £1,000 for extras. In addition I would have to spend about £750 to race her every season.

To most people that will seem a fearful waste of a very large sum of money, though in comparative terms it is a pretty minimal budget.

So the announcement this week that British industry, and the general public, is being asked to sponsor the purchase and racing of a couple of boats to take part in the 1980 America's Cup series to the tune of nearly £2m will no doubt have caused raised eyebrows everywhere, particularly those of a few committee members on leading charities.

Nor is there any guarantee that, after all this expense, the British challenge will reach the start line of Newport, Rhode Island, against the American holders. There are five other challengers who must be beaten in a series of eliminators before the big battle begins.

Even the brochure inviting membership of a British Industry 1500 Club—minimum subscription £1,050, tax deductible, open to the first 1,500 applicants—admits that the challenge is the pursuit of an "impossible dream".

There will be no doubt in most people's minds, both in and out of yacht racing, that the project truly qualifies for the adjective exotic, and has about as much relevance to everyday sailing as a rocket

car across Pendine Sands has to ferrying Auntie to the Cotswolds on a Sunday afternoon.

While Britain has an enviable record of success in the Admiral's Cup—always sailed in home waters—and in various level-rated events and dinghies, there are few Britons who could claim to know the hows, whys and wherefores of 12-metre racing in American waters. (A 12-metre boat is standard for the America's Cup. It is about 65 feet long and 12 metres on the waterline.)

## "Dirty tricks"

Many of the other five challengers have been to Newport before only to be beaten by the expert crewing and seasoned tactics of the locals. They have also been subjected to severe psychological pressures both on shore and on the water and the British contingent has already budgeted both for a travelling war games expert and a "department of dirty tricks" to take the battle of the minds into the American camp.

This seems to be more a case of silk-lined cloak and jewel-encrusted dagger than sailing and it probably is. But the one thing in the brochure inviting membership of the 1500 Club which is beyond dispute is that this latest challenge will be the most professional ever put together.

The cup, formerly the Hundred Guinea Cup, has never been won by anyone but the Americans. The name of the trophy was changed because it was first won by a yacht named America in a race round the Isle of Wight in 1851. The 129 years to 1980 will have seen 23 challenges some of the most famous from the British Isles.

and yet no British boat has ever won more than two of the best-of-seven series. And on an embarrassingly large number of occasions the Americans have won by a straight four-to-nil margin.

This time, however, there should be enough careful crew selection and enough opportunity for them to practise against other "twelves" to ensure they are race-tuned and fit.

While the Americans have for some time been able to use a more accommodating tax system to encourage sponsorship, and the Swedes relied heavily on Volvo for their 1977 challenge, Britain has hitherto always depended on rich individuals to dig deeply into their own pockets.

Our last challenge in 1964 was financed by Mr. Tony Boyden, who is now chairman of the British Industry 1500 Club. Although he has underwritten the purchase of the first boat from Joyce Marine at Gosport, he obviously hopes that this time enough money will be put up by industry to keep his personal contribution within reasonable bounds.

The recruitment of Sir John Methven, director general of the CBI, as the club's president is a valuable coup. Apart from Sir John being an enthusiastic yachtsman and former RNVR officer, his ability to spread the gospel to all the most influential men in British industry is almost unrivalled.

On Mr. Boyden's other flank is Sir Peter Vannack, Lord Mayor of London, a 1500 Club vice-president and, of course, another yachtsman. That takes care of both industry and the City and involves the support of the two men who, between them, probably make more speeches to more men control-

ling company funds than any other pair in Britain. A dynamic duo indeed.

So the financial side is being handled professionally and an international public relations firm is there to back it up. The one-man crusade has given way to the business-like approach. It is now a commercial as well as a sporting enterprise. In the outline of the scheme it is emphasised that yachting is an amateur sport and that the crew will be amateur. However, when the challenge was first explained to the British public, Mr. Boyden said that he expected employers to cast a benevolent eye on the time demands made on crewmen whom they employ. If not, he said, he thought that there would be companies who would be able to make arrangements to ensure that crew would have good jobs on their return.

That seems to be as delicate a dividing line as possible between professional and amateur status. However every-one is aware that there are professionals in yacht racing—staff of sailmakers and boat-builders are most prominent—and before the war, when most yacht racing was truly a rich gentleman's sport, professional crews were the order of the day, and the order of the day was to work damned hard for your shilling.

Fit men

With the most experienced men from the British Olympic yachting scene involved, the fitness and competence of the crew should not be a problem and the promised 100-day work-up in Newport ahead of the elimination series should mean that the best approach programme will be followed.

As for the design of the boat, or boats, some doubts have been

expressed about the man chosen. Ian Howlett, on the grounds that he has not been in the mainstream of designing large winning yachts.

However, Mr. Boyden pointed out that 12-metre design has reached its optimum point, and in Ian Howlett's favour are seven years of playing around with tanks and wind tunnels of Southampton University.

Much more important will be the problem of producing a perfect suit of sails, and undoubtedly this is something that will exercise the committee considerably. Other equipment such as mast, spars and rigging, deck gear and electronics are well within the capability of a British yacht equipment industry as highly tuned as any of its world competitors.

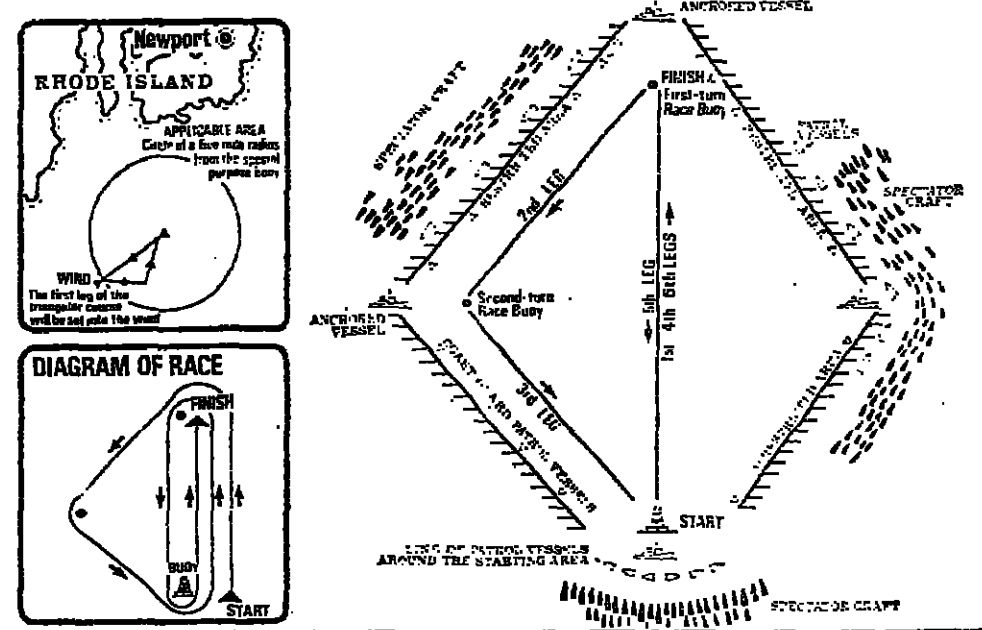
To add a little gift to the gingerbread, Southern Television proposes to sponsor a series of 12-metre yacht races in the summer of 1979 to which the French, Swedes and even Australians have been invited. It is not clear how successful the idea will be, but the prospect of 12-metre racing in British waters again is a stirring one.

Even taking into account all the improved organisation, the hopes of a substantial budget, and the wealth of good crewmen to choose from, the million-dollar question is still: what is the chance of a British win?

Ladbrokes, who will take a bet on most things, is reluctant to quote any odds at such long range, but privately the Americans would probably enter the frame at five-to-one on at this stage. And the best odds given by one knowledgeable yachting man after the announcement was two-to-one against the British boat ever making the final series.

## 1977 AMERICA'S CUP RACES

SAILED OVER 24.3 MILES OLYMPIC COURSE



Although two years may seem a long time, the first boat will not be in the water until next January or February. That leaves only 15 months at best before shipping out to Newport having first caught up on an area of sailing in which we have little experience and which is an art of its own.

Just to complicate matters, if the full amount the committee wants is donated a second boat will be built for launching in the year of the series.

To put that into full racing order and run trial races against the first boat would leave the schedule very pressed, and "twelves" being delicate creatures they cannot be sailed in all weathers.

In contrast the Swedes will be going back to Newport only

three years after their last attempt and able to benefit from the experience they have so extensively acquired. The same is true of the French and the Australians—and all the other challengers already have a selection of boats to use as trial horses.

In the short time remaining to Britain the most important asset would be a smooth approach run: early and substantial cash flow, unhindered building of the first boat, good weather when it is launched to allow the maximum number of days on the water, and freedom from major gear failures. Any-

thing like a large hiccup naming contributors' names, would reduce significantly the prospect of success, for there will be little spare time in which to catch up.

The 1977 series cost a total of about £10m. In 1980 this could easily rise at least 50 per cent. The "impossible dream" of playing with such expensive toys, of competing so fiercely, of winning such an elusive prize has once again captured the imaginations of men who in any other business situation would know better.

The task of Mr. Boyden, and his very able committee, is now to turn fervour into hard cash. Whether the inducement of use of a campaign symbol, articles written for use by local newspapers, advertisements naming contributors' names, and offers of a free limited edition colour print at the end will be enough remains to be seen.

## Weekend Brief

### Tour de force

There are several claimants to the title of originator of mass charter flight tourism, and one of them is Vladimir Raitz. Since the collapse of Horizon Holidays a few years ago Raitz has kept a low profile, but now is bouncing back with some vigour. Even the old Horizon name glitters again since that brawny quoted one-time offshoot of the former Raitz empire, Horizon Midlands, has been gradually shedding the second half of its name.

Raitz is not involved in Horizon Midlands in any way, his avenue of touristic venture over the past couple of years has been Mediterranean—Holidays, a Malta based operation offering holidays to that Mediterranean island. Medallion has apparently prospered, and Raitz is establishing his come-back to the establishment fold at the turn of the year when he was voted onto the Tour Operating Committee of the Association of British Travel Agents. Always a popular figure in the trade, Raitz once again walks the corridors of power.

In about three weeks time we will see public evidence of the next stage of the Raitz saga. Towards the end of the month the first copies of Raitz's new corporate brochure should be coming out, under the provocative title of *Alcaldays*. Raitz has moved into a non-executive seat at Medallion to go off on his own path under this banner, and will be offering wine tours to various destinations this autumn. With such wine as notables and high vicars as Cyril Rav, Alan Hall and David Peppercorn, advising and possibly securing tours, Raitz will be making trips to the Rhône, Jerez, Oporto, Rioja and, of course, Champagne, Bordeaux and Burgundy.

There is a great future for the specialist operating, says Raitz in his new *Alcaldays* brochure. The numbers game has been looking for parties of 20-30 people, a time for this time, he could have chosen some collecting or anything else to happen to like wine, say, the most involved in the beautiful. Raitz is plotting whisky tours for foreign visitors, whole trips to Moscow and talking about launching a wine club as an allied operation.

Initially his tours are likely to have to be done through an intermediary agent since the *Alcaldays* ATOL (Air Tour Operators' Licence) application is only now in the process of being made. Among the bodies which vet these applications is the Tour Operators' Council of A.T.A., on which Raitz sits, so he will have the odd duty to leave the room while his name is discussed.

Meanwhile, the argument has over whether or not Raitz has chosen a suitable title for his new venture. *Alcaldays* is a name which has a long history, and it is a name which has been used for many years.



Raitz: new ventures

but Raitz is clearly determined to stick to it. At the moment he and his team are busy testing out the tours and the hotels—Raitz himself is just back from Portugal. I suppose these might be called dry runs.

### Low cut

Although spectacularly in the news from time to time the ironies about the Premier diamond mine in South Africa is that it is not very lucrative. Huge gem diamonds may be found there, the Cullinan, the Marabou, the Taylor-Burton and now the Premier Rose of 353.9 carats—but dividends have been few and far between.

Last year, Mr. Harry Oppenheimer, the chairman of De Beers Consolidated which has the controlling interest, confessed that Premier had not paid a dividend on deferred shares for 50 years and that preference dividends were 19



Oppenheimer: bright future

years in arrears. This was, as he put it, "grossly excessive." But the mine is too big to ignore, too honoured in diamond history to forget. Year after year it has produced around 2m

carats of diamonds, mostly of industrial quality and therefore not as prized as gem stones. Still, the sheer volume is roughly the equivalent of Angola's total yearly production before the civil war.

In fact, the discovery of Premier Rose—named incidentally after the South African lady who will mark it up and decided how it will be cut—is a 75th birthday present. Mining operations started in 1903, although De Beers did not gain control until 1917.

During the 1930s, a lean time for the diamond producers, the mine was closed down and when it re-opened in 1944, over 4bn litres of water had to be pumped out of its 189 metres depth. The mine was, and is, a huge hole in the ground.

Now a new life is about to start. There have been negotiations with the South African Government on leases and the way has been opened to extract diamonds from as deep as 800 metres, as plans to mine beneath a bed of waste some 80 metres thick come to fruition. This should see Premier producing well into the next century.

### Life style

TWO YEARS ago almost exactly world environmentalists held a huge warmhearted conference in Vancouver called Habitat and Human Settlements. Almost all the nations attended. The Canadians, proud that Habitat should be held in Vancouver, spent millions on it.

Improving the habitat of the world's people, especially those of the third world was the theme. Shantytowns had to go, rural land was to be made more habitable to stem the great trek to the cities to make more shantytowns. Environmentalist Barbara Ward wrote a book for the conference called *Home of Man* in which she said the world needed 47m houses a year.

Vancouver decided to press ahead with a Habitat and Human Settlements Foundation to get the whole thing off the ground. But what happened to Habitat? Two years, and millions of words, later the foundation has not yet got a home, although one is promised in Nairobi.

Habitat has no executive director. The Secretary General of the UN has still to appoint one, and it has no money for its task of improving the world's life-style. World governments are supposed to pledge money to the foundation, but up to end January this year there was only \$1.56m pledged for the kitty, of which only \$360,000 had been paid up.

Dr. Mostafa Tolba, head of UNEP (the U.N. Environment Programme) who is caretaking the Habitat Foundation in Nairobi pending the appointment of an executive director and an administration, said a target of \$60m was a minimum for government's voluntary contributions for 1978-1981.

The permanent home is having to wait till a huge combined building for UNEP and Habitat is built in Nairobi. A temporary home has been provided in Nairobi, but nobody has moved in yet.

What environmentalists are wondering is why spend millions creating a new UN environment agency when a huge working environment agency, UNEP, is already in existence with a top manager and a specialist staff.

Could not the money be better spent, they say, advising and helping poor nations how to clear their slums and improve rural life styles?

But the UN machinery is grinding slowly on. An executive director of Habitat will be appointed, and he will occupy an office with an expensive staff almost next door to another environmental manager with another expensive staff, two years after Vancouver.

### Swell affair

This week should have seen the start of cross-Channel services

with British Rail Seaspeed's new Super 4 hovercraft, the largest in the world. Technically the 300-ton craft has performed well, reaching over 70 miles an hour in tests, but a dispute, involving 18 pilots over a pay claim for parity with BR Sealink ferry captains, means the craft will not carry paying passengers until July.

In spite of this hitch some days ago a group of journalists and, significantly, engineers from the Belgium Marine Transport Authority, sailed across the Channel from Dover to Ostend, ostensibly on a joy ride. For BR and the British Hovercraft Corporation, the ride had a vital commercial aspect. The real purpose was to carry-out test moorings in the heart of Ostend harbour. The data from the tests will aid a Belgian evaluation of the craft. Success could lead to orders for two £15m craft.

Would-be passengers, whose own rides have been hit by the pilots strike, are likely to be more interested in what happened to the landlubbers when they set off on a cushion of air bouncing through eight feet waves at 65 miles per hour.

Our pilot for the day was Mr. Bob Strath, operations manager of the British Hovercraft Corporation and not involved in the dispute.

We were promised "fresh conditions, a northerly breeze and a 1 to 11 metre swell in mid-Channel." As the craft slid backwards off the ramp at Dover, the first sensation was of a draft of air up one's trouser legs. This later paled into insignificance as staunch British and Belgian stomachs coped with waves twice the size of those predicted.

Those promises about mid-Channel conditions were remembered with some dismay when the wind picked-up to Force 7, the craft "sloshed" to 50 miles per hour, and waves became grey concrete walls, over 8 ft high.

Stewardsesses, some who had been with Seaspeed since its inception in 1968, served drinks and proudly proclaimed that on the older, unstretched SRN4 craft, the bar would have closed long ago, conditions were so rough. But few drinks even on the monster Super 4 survived the swell. Stomachs and drinks rose and sank as in the fastest hotel lifts.

Sitting at the bulbous nose of the craft as it passed Calais 25 minutes from Dover, the "joy ride" passengers were noticeably relieved when Bob Strath said we would then follow the coast over sandbanks and shallow water. White-water racing followed, with the entire horizon seething with foam, as the craft accelerated for Ostend to be greeted on the local beach by awestruck locals.

To be fair to BR and the hovercraft company, it was an unusually rough day. But when sales of £30m and a potential rise in the use by Belgium of the new BR hoverport at Dover West are at stake, the show simply had to go on.

### Contributors:

Arthur Sandles,  
Paul Cheeseright,  
John Worrall  
and Lynton Maclean

## Economic Diary

SUNDAY—National Union of Public Employees conference. Mr. Alan Fisher, general secretary, speaks on wages policy. Alexandra Palace, London. MONDAY—Mr. Merlyn Rees, Home Secretary, opens International Professional Security Association conference. Wembley Conference Centre. Mr. David Ennals, Social Services Secretary, at Royal College of Nursing conference, Harrogate.

TUESDAY—Parliament re-assembles after the Spring Half-Term. Retail sales (April final). Prime Minister, arrives in the UK for three-day visit—lunch with foreign affairs. Mr. Malcolm Fraser, Prime Minister of Australia, arrives in U.K. for five days of talks. Indian Prime Minister continues talks at Downing Street. UK balance of payments (1st qtr). Monthly meeting of National Economic Development Council.

THURSDAY—Vehicle production provisional figures (May). FRIDAY—Building Societies meet to discuss interest rates. Mr. Malcolm Fraser talks with Mr. James Callaghan. Company liquidators survey (1st qtr). Central Government financial transactions (including borrowing re-consumption) (May). WEDNESDAY—House of Commons begins two-day debate on the Budget. Mr. Margaret Thatcher at Conservative Party in Foreign Press Association for Fraser, Prime Minister of Australia, conference, Llandudno.

## "Frankly, there's not a single reason why we advertise in Radio Times."

Frank Abramson, Retail Marketing Manager, W.H. Smith & Son Limited.

That was the riposte Frank Abramson gave us when we recently popped the question: Why do W.H. Smith advertise in Radio Times? However he went on in a more encouraging vein: "Obviously, to any retailer, the sheer numbers of people his advertising reaches is important. When you've over 350 outlets it's vital."

"So we're influenced, of course, by your 10.7 million audience."

"We're after, to use the jargon, your C2DE readers as well as your ABC's."

"After all, everyone's a potential customer to us. That's why we go out of our way to carpet our shops, light them attractively, make them a browser's home from home."

"And hopefully you've noticed how our staff are friendly but professional. They know their products. And they also know when to help you and when to leave you alone."

"Also," he added, having a dig, "as you never tire of telling us, you're more ABC's readers than any other magazine or newspaper."

"What's more," he went on, ticking off his fingers, "the highest proportion (22%) I think of your readers is in the 15-24 age group, which is an important part of our target group."

"Do you want me to go on?" he said, looking at his watch. Please, we replied.

"Okay," he muttered "Most of our customers are women. But men are, naturally, also important. So, indeed, are children."

"We're nothing if not a family shop. And you're nothing if not a family magazine. Also you give people plenty of time to see and consider our ads (what's your phrase: you stay in the home nine days including two shopping weekends?)."

"Furthermore, the fact you publish thirteen regional editions gives us flexibility. Finally," he said (stressing the word) as well as newspapers and magazines, we're largely in books and records, the reading and listening market, if you like."

"And," he added, standing up "so are you. Which means your editorial is in sympathy with our ads."

Door knob in hand, he summed up: "You give us the numbers, you give us the nine day stay in the home. (you give us grey hairs with your copy dates, but they're shorter than most magazines). you give us regional flexibility."

"In short, you give us what we want. Besides which," he called from the lift, "you're always a prime recommendation from our advertising agency, D'Arcy-MacManus & Masius Limited."

"And when one of the leading agencies in the country speaks, we listen."



This advertisement is one of an occasional series of case histories from Radio Times. For further information contact Head of Advertising Department, BBC Publications, 35 Marylebone High Street, London W1M 4AA. Telephone: 01-580 5577.















## COLD STORAGE HOLDINGS LIMITED Annual Report and Accounts for the year ended 31st January, 1978.

Summarised statement of the Chairman,  
S.R. Parker to be presented at the Annual General  
Meeting of the Company in Singapore  
on 17th June, 1978

**RESULTS**  
Group sales for the year at \$193.5 million were 7% ahead of last year's level of \$180.6 million.  
Pre-tax profit for the year ended 31.1.78 amounted to \$21.43 million compared with \$21.65 million in the previous year.

**DIVIDENDS**  
A final dividend of 8 cents per 10p stock unit payable on 19th June, 1978 is recommended by the Board which together with the interim dividend of 4.5 cents paid in January 1978 amounts to the sum of 12.5 cents, being the same total distributed as last year.

**CAPITAL**  
At the Extraordinary General Meeting held on 16th July, 1977 a bonus issue of one stock unit for every three units held by Stockholders on that date was approved, increasing the issued capital of the Company to \$66,421,432.

**TRADING & MANUFACTURING ACTIVITIES**  
Supermarkets division made an increased contribution to profits this year, particularly in Malaysia where the partnership with Kum-puan-Firm Sdn Bhd is working well. Plans for the major reconstruction envisaged for our Orchard Road Property is under revision for final approval from Government.

The recently extended meat processing factory is expected to continue its progress in sales to export and domestic markets. The dairy and beverage manufacturing divisions showed further improvement and price controls narrowed profit margins. The ice manufacturing and bakery sections of the business continued to make a steady contribution to Group profits.

**NEW DEVELOPMENTS**  
To conform with Malaysia's New Economic Policy the next phase of reconstruction of the Malaysian operations is under consideration. In Sabah an ice cream plant in partnership with local interests is expected to commence operations at the end of May. The refrigerated warehouse at Pasir Panjang is currently being expanded to cope with future demand for these facilities. The first joint venture in New Zealand commenced with a 50% equity participation in Wellington Cold Storage Ltd. and a further expansion of this modern refrigerated warehouse is planned. In a further move to expand the export business, a trading office has been established in Hongkong and a subsidiary company Galaxy Foods Ltd. has been formed in the U.K. A number of local joint venture projects are currently under review in West Asia.

**OUTLOOK**  
Initial expenditure associated with the development of new projects and the high cost of our continuing replacement and modernisation programmes tend to restrain profits in the short term but should provide a stronger base from which to sustain the future progress of the Group.

**DIRECTORATE**  
M.V. Oule becomes Deputy Chairman and General Tan Sri Ibrahim bin Ismail was appointed to the Board.

**MANAGEMENT**  
Tan Yam Pin and R.J. Barton were appointed Director and General Manager of Cold Storage (Singapore) Pte. Ltd. and Cold Storage (Malaysia) Sdn Bhd, respectively.

### SALIENT FIGURES FROM THE ACCOUNTS YEAR ENDED 31ST JANUARY, 1978

	1978	1977
Turnover	193,500,000	180,600,000
Group Profit before Taxation	21,426,000	21,648,000
Profit after tax for year	5,927,000	5,368,000
Dividends (interim and proposed final)	7,122,000	7,122,000

A copy of the Company's annual report and accounts is available upon request to The Secretary, Cold Storage Holdings Ltd., Empire Dock, Singapore.

Australian Agents: G.S. Yell & Co. Pty. Ltd.,  
8 Spring Street, Sydney, N.S.W.  
London Agents: Yell & Co. Ltd.,  
10, Eastcheap, London, EC3M 1AS.

## INTERNATIONAL COMPANY NEWS

### HONG KONG STOCK EXCHANGES

## Merger meets opposition

BY ANTHONY ROWLEY IN HONG KONG

FROM AN overseas point of view, the move to merge the four existing stock exchanges here—the Far East, the Hong Kong, the Kam Ngan and the Kowloon—into one "United Stock Exchange" must appear sensible and tidy. The internal politics are formidable, however.

There would have been more than four exchanges had not legislation been brought in around the time of the great Hong Kong stock-market boom in 1973-74 banning the formation of further exchanges. A fifth exchange was about to open when the ban came in, as stockbrokers, commodity brokers, lawyers, accountants and all sundry bought seats.

### Persuasion

Since then the Government has sought to reverse the trend and to persuade the four exchanges to merge into one "voluntarily." Mr. Philip Haddon-Cave, the Financial Secretary, has hinted that if persuasion fails he might legislate for a marriage.

Even so, several of the exchanges have been dragging their feet heavily, although with the official target date of January, 1980, for union getting closer they have come under increasing pressure from the official Securities Commission here to produce a merger scheme.

Earlier this month, the exchanges produced the form if not the substance of a merger. The working party on unification, set up at official behest, and comprising two representatives from each of the four exchanges, agreed that a new holding company be set up to effect the merger and that the four existing exchanges become its initial subscribers. This holding company is expected to be registered soon.

This "Hongkong United Stock Exchange" as it is being provisionally termed, will subsume the Federation of Stock Exchanges, the chairman of which (currently Mr. Peter Chan, head of the Kowloon Stock Exchange) will become the chairman of the new holding company. Thereafter the chairmanship is intended to rotate among the exchanges although some of them may choose to liquidate if and when the exchange is formed it may not be possible to fulfil this plan.

Reconciling the existing power groups and loyalties within the present four exchanges, most of which seem opposed to the idea

of merger, will not be the only problem faced by the executive committee (to be formed from the working party) which will have the job of running the united exchange.

Another headache will be finding suitable premises for the new body to operate from. Officials here admit that there is no building in the Colony capable of providing the 30,000 to 35,000 square feet of space that would be needed for the four exchanges to operate on one floor. As a compromise, the new exchange might have to operate from two floors, initially at least.

There are in fact plans in existence already for the Far East and Kowloon exchanges to share trading floors as a first step towards closer union, and possibly full merger. The Kam Ngan and Hong Kong are expected to follow suit, so that within six to nine months the four exchanges should be operating on two, instead of four, floors.

Many brokers argue that the partial merger of the four exchanges effectively into two units is as far as rationalisation needs to go, particularly if the initial links developed into full mergers. Given inter-exchange trading, which exists here already, and unified trading and listing rules, planned for this year, the four will be as one anyway, the brokers argue.

Brokers are also cynical about the cost benefits which Mr. Haddon-Cave has pointed to in justification of his pressure for a merger. The more wealthy exchanges, such as the Hong Kong which derives a great deal of its income from investments, foresee a substantial leakage of capital from the existing event of liquidating after the formation of the new one, and thus high costs for those brokers who choose to become members of the new exchange.

The assumption is that many of those who bought seats on the stock exchanges in the boom five years ago—they included lawyers and accountants who got in before the 1974 securities ordinance banned such people from membership—would opt out.

Market turnover has slumped to levels where no members are thought to have made a profit last year, and once-lucrative new-issue activity, including private placements, has largely dried up. The prospect of a better image abroad for the Hong Kong stock market as a whole, which Mr. Haddon-Cave foresees resulting from the merger is not something which impresses the broker community here overmuch.

Neither is the supposed ability of foreign institutional investors to monitor prices more closely on one exchange instead of on four.

Most of the overseas investment in the Hong Kong stock-market nowadays comes from the overseas Chinese in south-east Asia, with London probably being the second most important source and Switzerland the third. There is some U.S. investment and Japanese portfolio investment here is said to be on the point of revival.

A good deal of this investment is channelled through the bigger brokers and the banks, who deal through all four exchanges here, anyway, the leading stocks being quoted on all of them. It is argued that, with inter-exchange trading in operation since last August, prices are rarely far apart. Common listing requirements, which are being introduced regardless of whether the exchanges all merge, may impress disclosure-conscious U.S. institutions but they will hardly sway Chinese or even Japanese investors, brokers argue.

One official argument which looks incontestable, however, is that common listing and trading rules (covering settlement and delivery) would be easier to police through one exchange rather than four, and that this would enhance the credibility of the Hong Kong market with outsiders.

### Commission rates

The exchanges are thought to oppose being merged into one on the grounds that it will end their ability to compete on commission rates around the national level—currently 0.5 per cent on equities except in the case of banks, for which it is 0.25 per cent. The banks, it is said, like to play off the exchanges against each other on commission rates. The Securities Commission, however, says that in the end it will tolerate "competition among brokers, not among exchanges, and on service rather than commission rates."

Even so, there are some real doubts about whether the Government will succeed in getting the merger implemented by 1980 and whether, if it came to the point, the Government would overcome its traditional reluctance to interfere in the private sector and legislate for a merger. A test may be Mr. Haddon-Cave's success or otherwise in getting his controversial amendment proposing taxing of banks' offshore profits through the Legislative Council here in July.

## Stakes changing in Proton Chemical

BY LEO GONZAGA

**MAJORITY OWNERSHIP** of Proton Chemical Industries, which is undertaking a coconut-based chemical manufacturing project, has changed from Filipino hands to Japanese. Until recently Proton was a 60-40 joint venture between Coco Chemical Philippines and two Japanese partners, New Japan Chemicals Company and Toyo Menka Kaisha.

Proton is setting up a processing complex consisting of a methyl ester plant and an alcohol and plant in Alimanan Town, Quezon Province, on the Pacific side of the main Philippine island of Luzon. Both plants will utilise coconut as their main processing material.

The impending Japanese takeover of majority ownership of Proton will be the second de-

MANILA, June 2.

Filipisation in the corporate scene in recent weeks. Earlier, foreigners took over control of Diabrot Products Philippines Incorporated from Filipinos.

Diabrot, a manufacturer of diamond drill bits, used to be a subsidiary of the copper producer, Lepanto Consolidated Mining Company, Diabrot Board S.A. of Belgium bought 17 per cent of Lepanto's 51 per cent holding in Diabrot as well as the ten per cent combined Diabrot holdings of two other Filipino stockholders, Marblecraft Incorporated and P. D. Ocampo—making a total of 27 per cent.

Proton, which is registered with the government's Board of Investments (BOI) as a preferred pioneer enterprise, informed BOI the other day that the two Japanese partners have raised their equity in the company from 40 to 51 per cent and that Coco Chemicals, the former majority owner of Proton, has just become a minority joint venture participant.

The action of the government is not yet clear as this point. There is no ceiling on foreign investments in preferred pioneer enterprises. But such an enterprise, where non-nationals own more than 40 per cent of the total equity, is required to Filipinize, or bring down foreign ownership to the prescribed ceiling within a certain period.

### Earlier moves

The Filipino equity in Diabrot was thus reduced to Lepanto's 34 per cent, while the foreign equity was expanded to 66 per cent, made up of the 27 per cent recent acquisition by Diabrot and the existing 39 per cent held by its Australian-based subsidiary, Boart Pty Limited. The majority ownership change took place without Board of Investments approval, since the area of activity involved is not covered by the 60 per cent minimum nationality requirement.

## TRAVIS & ARNOLD LIMITED

National distributors of timber, building materials, plumbing and central heating equipment to the construction and allied trades.

Extracts from the Chairman's statement year ended December 31st 1977.

Profits before tax for the year were £3,794,000 against £4,232,000 the previous year.

This year it has been decided to follow recommendations of the Accounting Standards Committee Exposure Draft 19. As a result net tangible assets for ordinary and deferred ordinary shares have increased to £18,336,000, equivalent to £2.15 pence per share.

Profit margins for general building and plumbing materials came under pressure as a result of the continued low level of activity in the construction trade. During the year private housing starts fell by thirteen per cent and public sector starts by over twenty per cent. Prices of softwood, plywoods and wallboards fell sharply in the second half and we felt it prudent to reduce the value of certain timber stock holdings at the year end.

The indications are that the sustained period of lower interest rates and high levels of lending by the Building Societies are leading now to a revival of confidence by house builders and that the rest of the year will show an improvement in building activity.

E. R. Travis April 1978

Copies of the Report and Accounts are available on request from The Secretary, Travis & Arnold Ltd., St. James Road, Northampton.

## Wadkin

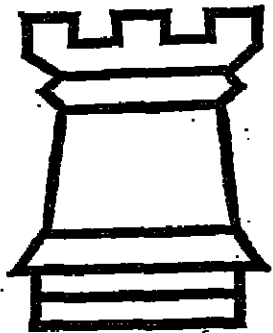
Extracts from the statement of the Chairman, Mr. W. L. Sims OBE, on the accounts for 1977 adopted at the Annual General Meeting held on the 2nd June 1978.

- \* Export sales increased by 42% to £9,087,000.
- \* Machine Tool Division increased its turnover by 63% in 1977 and continues to expand its business in 1978.
- \* Major setback experienced in 1977 trading activities in France, but remedial steps which have been taken will overcome the difficulties.
- \* Revenue reserves now stand at £8,797,000.

	1977	1976
Group turnover	19,991	19,381
Profit before taxation	1,735	1,735
Net profit after taxation	1,230	1,511
Earnings before taxation	36.56	36.26
Earnings after taxation	25.62	31.47
Dividends	5.86	6.3
Transfers to reserves	19.76	29.17

WADKIN LTD., WOODWORKING MACHINERY & MACHINE TOOLS.  
GREEN LANE WORKS, LEICESTER LE5 4PF

# Sears Holdings Limited



## Results for the year ended 31st January, 1978

	1977/78	1976/77
Turnover	£m	£m
	981	793
Trading profits	74.7	54.0
Group profits before taxation	65.5	42.5
Group profits after taxation	28.9	14.4
Proposed dividend	11.6	10.4
Added to reserves	13.1	6.0

Turnover at £981m was 23.7% up on 1976/77.

Profits before tax rose from £42.5m to £65.5m, an increase of 54.2%.

Earnings per share 6.2p (3.6p).

Dividend increased from 2.31p to 2.58p per share.

A revaluation of the group's properties shows a surplus of £155m.

A one-for-one scrip issue is proposed.

### Extracts from the Chairman's Statement

It gives me great pleasure to pay tribute to Sir Charles Clore who retired at the end of last year after serving as Chairman of your Company for 25 years. From a group which had about 8,000 employees, gross assets of £10 million, turnover of £10 million and profits before tax of £1 million, it has now become an international group with over 60,000 employees, gross assets of £750 million, turnover of £981 million and profits before tax of £65 million. It is an achievement which must be almost unique in the modern business world.

I am very pleased that Sir Charles has agreed to remain a director of your Company and will continue to involve himself with our affairs, primarily those overseas, which will be of immense help to us in our expansion programme.

We continue to invest in each of our activities and have confidence in the future, based on our inherent strengths of assets, liquidity and manpower.

It is your Board's intention to continue our present policies of consolidation and expansion of our businesses, enlarging them where possible, particularly in Europe and North America.

The Sears group is primarily engaged in the retailing and services industries. If the U.K. economy improves, we should benefit in all aspects of our businesses and I look forward to an increased group profit in the current year.

LEONARD SAINER

Copies of the 1977/78 Annual Report and Accounts may be obtained from The Secretary, 40 Duke Street, London W1M 6AN.

## 9.6% per annum paid quarterly

### Why all equities?

Schlesingers' Extra Income Trust is a trustee investment and offers one of the highest returns currently available from a unit trust invested only in ordinary shares.

Whilst the managers could obtain a still higher yield by including some fixed interest investments, such investments cannot increase their dividends and also have less potential for capital growth. The all-equity portfolio of the Schlesingers' Extra Income Trust, by contrast, maximises the potential for growth of income and capital.

### A current opportunity

By careful selection of sound stocks including attractive recovery situations and well-researched regional equities, Schlesingers provide a particularly high equity-based yield.

However the growing relative attraction of ordinary shares with very high yields suggest that such yields may not be available to new investors indefinitely.

Indeed, many investors have recognised the urgency of securing this opportunity by placing over £9m in the fund since its inception in May 1977. Over this period, the unit price has risen 24% and the FT Actuaries All-share Index 17%.

We therefore recommend immediate investment at the current, high rate of return to gain the potential of capital appreciation. Your investment should be regarded as long-term.

### Schlesingers' PIMS service

Minimum investment in the fund is £500. Investors of £2,500 or more will receive the Schlesingers' Personal Investment Management Service (PIMS) which includes regular investment reports and invitations to meet the investment managers.

### Schlesingers—specialists in the management of private, institutional and pension funds.

To: Schlesinger Trust Managers Ltd.,  
140 South Street, Dorking, Surrey,  
West Kent and London, Telephone Tr. Dorking (0306) 86441

I wish to invest (minimum £500) £

in the Schlesinger Extra Income Trust at the fixed price of 31.2p x d.

I wish to have my dividends re-invested

I would like further information, including details of Share Exchange

A cheque is enclosed in remittance, made payable to Midland Bank Limited.

Signature (In the case of a joint application all must sign.)

First name (In full)

Address

Date

FT3/6

## Schlesinger Extra Income Trust

## INVEST IN 50,000 BETTER TOMORROWS!

50,000 people in the United Kingdom suffer from progressively crippling MULTIPLE SCLEROSIS—the cause and cure of which are still unknown—HELP US BRING THEM RELIEF AND HOPE.

We need your donation to enable us to continue our work for the CARE and WELFARE OF MULTIPLE SCLEROSIS sufferers and to continue our commitment to find the cause and cure of MULTIPLE SCLEROSIS through MEDICAL RESEARCH.

Please help—Send a donation today to:  
Room F.1,  
Multiple Sclerosis Society of G.B. and N.I.  
4 Tachbrook Street,  
London SW1 1B7

## M&G RECOVERY FUND FROM £12 A MONTH

Many accidents by financial journalists and investment advisers, M&G's Recovery Fund, designed to produce capital growth, ended 1977 as the best performing unit trust. It also leads over the two year and six year periods. It has a policy of buying the shares of companies that have taken rapid growth. Many of these companies are, and through a process of careful selection M&G has been able to bring high rewards over the years to Recovery Fund investors.

This offer enables you to start a Regular Monthly Saving Plan with the Recovery Fund through a life insurance policy for as little as £12 a month, and you will receive the full £1200 cash on a £20 plan, plus interest on the £1200 cash on a £20 plan, plus interest on the £1200 cash on a £20 plan.

Regular investment of this type also means that you can take advantage of the regular fluctuations in the price of units through Future Cost Averaging, which gives you a further potential advantage, because

your regular investment buys more units when the price is low and fewer when it is high. You also get the cover of at least 100 times your monthly payment throughout the period if your age at entry is 54 or under. An element of insurance coverage for higher ages, up to 75.

By investing in the Recovery Fund you will be able to spread your investment over the first four years there is a really, and the tax authorities require us to make a deduction, so you should not consider the Plan for less than five years, 80% to 94% (depending on your starting age) is invested except in the first two years when an additional 20 per cent is retained to meet setting-up expenses. After two years, therefore, the average fund invested will, in most cases, represent more than 100% of the net amount you pay after tax relief is taken into account.

Investors should regard unit trusts as a long-term investment and not suitable for money needed at short notice.

The price of units and the income from them may go down as well as up.

M&G is a member of the Life Offices' Association.

At the top of the table, we put Unit Trust of the Year as a "Money Winner" ONLY EXPERTS VOTED 1977. The top performing unit trust of 1977. M&G Recovery Fund won by 113.5 per cent. M&G Recovery Fund won by 113.5 per cent.

THE M&G GROUP



## WALL STREET + OVERSEAS MARKETS + LATEST PRICES

## Up 6.84 on inflation hopes

BY OUR WALL STREET CORRESPONDENT

HIGHER LEVELS developed on Wall Street today, reflecting hope that the worst news on inflation may already be out.

The Dow Jones Industrial Average moved up 6.84 to 347.34, making a rise of 15.55 on the holiday shortened week. The NYSE All Common Index, at 855.05, rose 44 cents on the day and 89 cents on the week, while gains led losses by 120 to 308. Trading volume expanded 3.1m shares to 31.8m.

U.S. unemployment rose to a seasonally adjusted 6.1 per cent in May from 6.0 per cent in April, the labour department said, while U.S. Wholesale Prices rose 0.7 per cent in May, well below April's 1.3 per cent.

A surprise fall in the U.S. Money Supply reported late yesterday by the Fed, made it

likely that the Fed would not take any credit tightening action until after its mid-June Open Market Committee meeting, analysts said.

Xerox climbed \$1 to \$37.1, adding \$1 at \$29 in heavy trading. Its United Airlines unit reported a 21.8 per cent jump in May traffic. American Airlines put on \$1 to \$122. Delta \$11 to \$42.2, Northwest \$11 to \$29.1. Reliance Group gained \$1 to \$34.4, one of its 1978 Warrants were exercised through yesterday.

Schlumberger advanced \$4 to \$80. Sunlight \$3 to \$74. Studebaker-Worthington \$2 to \$98. Northern \$1 to \$36. Genhart, Green \$2 to \$32, and Cullen-Hammer \$3 to \$36.

The American SE Market Value Index rose 0.81 to 145.61, making a rise of 1.01 on the week. Volume picked up to 3.7m (4.25m) shares. But volume leader Resorts International slipped \$1 to \$23.1, Ironsides Brands advanced \$1 to \$19.1, and a 4.5m (4.0m) extra ordinary gain in the second quarter.

## FRIDAY'S ACTIVE STOCKS

Stock	Change
Reliance Group	1.00
American Motors	0.25
First Mississippi	0.25
Midland	0.25
Smith Barney	0.25
Franklin Int. Inc.	0.25
Southwest	0.25
Southern Company	0.25
Florida Power	0.25
Standard Brands	0.25

## OTHER MARKETS

TOKYO — Slightly higher, despite late profit-taking. Volume 280m (430m) shares.

Machine Tools rose in anticipation of good business this year. Export Oriented shares generally lower, reflecting recent appreciation at home and abroad.

GERMANY — Prices rose on institutional interest. But Steels were up to 50 pence, while leading chemicals steady. Mark Foreign Loans little changed.

CANADA — Higher and more active conditions also developed in Canada, where the Toronto Composite Index put on 3.5 to 112.2.

The Metals and Minerals Index rose 2.7 to 982.4. Oil and Gas 1.1 to 1550.2. Banks 1.9 to 173.8 and Puppers 0.12 to 115.0. Utilities 0.22 to 73.61.

PARIS — Lower in active trading undermined by continuing labour troubles at Renault factories. Fiat and Renault also by 1 point rise in Call Money to 7.5 per cent. Almost all sectors fell with some shares initially being set limit steady.

SWITZERLAND — Slightly higher in generally light trading. Buying interest centred again

on Saurer Bear, following rumours of a possible takeover by the Oerlikon-Buehrle.

Leading Banks neglected. Insurance mixed. Domestic and Foreign Bonds steady in moderate activity. Dollar stocks steady in moderate turnover. Dutch and French shares edged lower, Germany quickly irregular.

AUSTRALIA — Mixed trends. Uranium fell on Federal Government's plans for tight control of sales and a delay in setting up of Marketing Authority.

RUSSELL — Mostly lower in lively trading. UK, U.S. and Dutch stocks little changed. Germany and Canadian rose. French lower. Gold lines steady.

MILAN — Easier in thin trading, with tight money policies depressing market sentiment.

Bonds moved within narrow limits, while Treasury Bills met strong demand. SPAIN — Slight recovery in most sectors. Change 2 to 6. AMSTERDAM — Generally lower in light trading. State Loans higher. OSLO — Bankings quiet. Insurance steady. Industrials and Shippings easy.

## Indices

## NEW YORK-DOW JONES

June 1	June 2	June 3	June 4	June 5	June 6	June 7	June 8	June 9	June 10	June 11	June 12	June 13	June 14	June 15	June 16	June 17	June 18	June 19	June 20	June 21	June 22	June 23	June 24	June 25	June 26	June 27	June 28	June 29	June 30	July 1	July 2	July 3	July 4	July 5	July 6	July 7	July 8	July 9	July 10	July 11	July 12	July 13	July 14	July 15	July 16	July 17	July 18	July 19	July 20	July 21	July 22	July 23	July 24	July 25	July 26	July 27	July 28	July 29	July 30	July 31	August 1	August 2	August 3	August 4	August 5	August 6	August 7	August 8	August 9	August 10	August 11	August 12	August 13	August 14	August 15	August 16	August 17	August 18	August 19	August 20	August 21	August 22	August 23	August 24	August 25	August 26	August 27	August 28	August 29	August 30	August 31	September 1	September 2	September 3	September 4	September 5	September 6	September 7	September 8	September 9	September 10	September 11	September 12	September 13	September 14	September 15	September 16	September 17	September 18	September 19	September 20	September 21	September 22	September 23	September 24	September 25	September 26	September 27	September 28	September 29	September 30	October 1	October 2	October 3	October 4	October 5	October 6	October 7	October 8	October 9	October 10	October 11	October 12	October 13	October 14	October 15	October 16	October 17	October 18	October 19	October 20	October 21	October 22	October 23	October 24	October 25	October 26	October 27	October 28	October 29	October 30	October 31	November 1	November 2	November 3	November 4	November 5	November 6	November 7	November 8	November 9	November 10	November 11	November 12	November 13	November 14	November 15	November 16	November 17	November 18	November 19	November 20	November 21	November 22	November 23	November 24	November 25	November 26	November 27	November 28	November 29	November 30	December 1	December 2	December 3	December 4	December 5	December 6	December 7	December 8	December 9	December 10	December 11	December 12	December 13	December 14	December 15	December 16	December 17	December 18	December 19	December 20	December 21	December 22	December 23	December 24	December 25	December 26	December 27	December 28	December 29	December 30	December 31
--------	--------	--------	--------	--------	--------	--------	--------	--------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	--------	--------	--------	--------	--------	--------	--------	--------	--------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	----------	----------	----------	----------	----------	----------	----------	----------	----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	--------------	--------------	--------------	--------------	--------------	--------------	--------------	--------------	--------------	--------------	--------------	--------------	--------------	--------------	--------------	--------------	--------------	--------------	--------------	--------------	--------------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------

## STANDARD AND POORS

June 1	June 2	June 3	June 4	June 5	June 6	June 7	June 8	June 9	June 10	June 11	June 12	June 13	June 14	June 15	June 16	June 17	June 18	June 19	June 20	June 21	June 22	June 23	June 24	June 25	June 26	June 27	June 28	June 29	June 30	July 1	July 2	July 3	July 4	July 5	July 6	July 7	July 8	July 9	July 10	July 11	July 12	July 13	July 14	July 15	July 16	July 17	July 18	July 19	July 20	July 21	July 22	July 23	July 24	July 25	July 26	July 27	July 28	July 29	July 30	July 31	August 1	August 2	August 3	August 4	August 5	August 6	August 7	August 8	August 9	August 10	August 11	August 12	August 13	August 14	August 15	August 16	August 17	August 18	August 19	August 20	August 21	August 22	August 23	August 24	August 25	August 26	August 27	August 28	August 29	August 30	August 31	September 1	September 2	September 3	September 4	September 5	September 6	September 7	September 8	September 9	September 10	September 11	September 12	September 13	September 14	September 15	September 16	September 17	September 18	September 19	September 20	September 21	September 22	September 23	September 24	September 25	September 26	September 27	September 28	September 29	September 30	October 1	October 2	October 3	October 4	October 5	October 6	October 7	October 8	October 9	October 10	October 11	October 12	October 13	October 14	October 15	October 16	October 17	October 18	October 19	October 20	October 21	October 22	October 23	October 24	October 25	October 26	October 27	October 28	October 29	October 30	October 31	November 1	November 2	November 3	November 4	November 5	November 6	November 7	November 8	November 9	November 10	November 11	November 12	November 13	November 14	November 15	November 16	November 17	November 18	November 19	November 20	November 21	November 22	November 23	November 24	November 25	November 26	November 27	November 28	November 29	November 30	December 1	December 2	December 3	December 4	December 5	December 6	December 7	December 8	December 9	December 10	December 11	December 12	December 13	December 14	December 15	December 16	December 17	December 18	December 19	December 20	December 21	December 22	December 23	December 24	December 25	December 26	December 27	December 28	December 29	December 30	December 31
--------	--------	--------	--------	--------	--------	--------	--------	--------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	--------	--------	--------	--------	--------	--------	--------	--------	--------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	----------	----------	----------	----------	----------	----------	----------	----------	----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	--------------	--------------	--------------	--------------	--------------	--------------	--------------	--------------	--------------	--------------	--------------	--------------	--------------	--------------	--------------	--------------	--------------	--------------	--------------	--------------	--------------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------

## F.T. CROSSWORD PUZZLE No. 3,683

A price of £5 will be given to each of the senders of the first three correct solutions. Solutions must be received by next Thursday, marked Crossword in the top left-hand corner of the envelope, and addressed to the Financial Times, 10, Cannon Street, London, EC3A 4BY. Winners and solution will be given next Saturday.

Name \_\_\_\_\_ Address \_\_\_\_\_

1. Song a hand leader gets everybody to notice (4)

2. Wild guess (4, 4)

3. Wild guess (4, 4)

4. Wild guess (4, 4)

5. Unusual when not keeping time (3, 4)

6. Steady, she's a Quaker (4, 6)

7. Fishing party nothing to add in greeting (3)

8. Easter break for saint (6)

9. So pigs may talk (16)

10. First fruit from the garden brings a lump to the throat (5, 3)

11. Flair for classics received at one's party (5, 4)

12. Rush to impress editor—and a poet (10, 4)

13. Line that has to be drawn somewhere (3, 4)

14. Astonishing example of chap from southern Ireland? (6)

15. Cake found in city den (6)

16. Ropy material for making sails (5)

17. A bird for the bar (4)

18. Foot runner in snow has brief mile to glide along (4)

19. May be Poe's a fabulous writer (5)

20. Having an effect on a workman (3)

21. Thankful to be taken over at work (4)

22. Not designed to keep off former workhouse (6, 4)

23. Foot runner in snow has brief mile to glide along (4)

24. May be Poe's a fabulous writer (5)

25. Having an effect on a workman (3)

26. Thankful to be taken over at work (4)

27. Not designed to keep off former workhouse (6, 4)

28. Foot runner in snow has brief mile to glide along (4)

29. May be Poe's a fabulous writer (5)

30. Having an effect on a workman (3)

31. Thankful to be taken over at work (4)

32. Not designed to keep off former workhouse (6, 4)

33. Foot runner in snow has brief mile to glide along (4)

34. May be Poe's a fabulous writer (5)

35. Having an effect on a workman (3)

36. Thankful to be taken over at work (4)

37. Not designed to keep off former workhouse (6, 4)

38. Foot runner in snow has brief mile to glide along (4)

39. May be Poe's a fabulous writer (5)

40. Having an effect on a workman (3)

41. Thankful to be taken over at work (4)

42. Not designed to keep off former workhouse (6, 4)

43. Foot runner in snow has brief mile to glide along (4)

44. May be Poe's a fabulous writer (5)

45. Having an effect on a workman (3)

46. Thankful to be taken over at work (4)

47. Not designed to keep off former workhouse (6, 4)

48. Foot runner in snow has brief mile to glide along (4)

49. May be Poe's a fabulous writer (5)

50. Having an effect on a workman (3)

51. Thankful to be taken over at work (4)

52. Not designed to keep off former workhouse (6, 4)

53. Foot runner in snow has brief mile to glide along (4)

54. May be Poe's a fabulous writer (5)

55. Having an effect on a workman (3)

56. Thankful to be taken over at work (4)

57. Not designed to keep off former workhouse (6, 4)

58. Foot runner in snow has brief mile to glide along (4)

59. May be Poe's a fabulous writer (5)

60. Having an effect on a workman (3)

61. Thankful to be taken over at work (4)

62. Not designed to keep off former workhouse (6, 4)

63. Foot runner in snow has brief mile to glide along (4)

64. May be Poe's a fabulous writer (5)

65. Having an effect on a workman (3)

66. Thankful to be taken over at work (4)

67. Not designed to keep off former workhouse (6, 4)

68. Foot runner in snow has brief mile to glide along (4)

69. May be Poe's a fabulous writer (5)

70. Having an effect on a workman (3)

71. Thankful to be taken over at work (4)

72. Not designed to keep off former workhouse (6, 4)

73. Foot runner in snow has brief mile to glide along (4)

74. May be Poe's a fabulous writer (5)

75. Having an effect on a workman (3)

76. Thankful to be taken over at work (4)

77. Not designed to keep off former workhouse (6, 4)

78. Foot runner in snow has brief mile to glide along (4)

79. May be Poe's a fabulous writer (5)

80. Having an effect on a workman (3)

81. Thankful to be taken over at work (4)

82. Not designed to keep off former workhouse (6, 4)

83. Foot runner in snow has brief mile to glide along (4)

84. May be Poe's a fabulous writer (5)

85. Having an effect on a workman (3)

86. Thankful to be taken over at work (4)

87. Not designed to keep off former workhouse (6, 4)

88. Foot runner in snow has brief mile to glide along (4)

89. May be Poe's a fabulous writer (5)

90. Having an effect on a workman (3)

91. Thankful to be taken over at work (4)

92. Not designed to keep off former workhouse (6, 4)

93. Foot runner in snow has brief mile to glide along (4)

94. May be Poe's a fabulous writer (5)

95. Having an effect on a workman (3)

96. Thankful to be taken over at work (4)

97. Not designed to keep off former workhouse (6, 4)

98. Foot runner in snow has brief mile to glide along (4)

99. May be Poe's a fabulous writer (5)

100. Having an effect on a workman (3)

101. Thankful to be taken over at work (4)

102. Not designed to keep off former workhouse (6, 4)

103. Foot runner in snow has brief mile to glide along (4)

104. May be Poe's a fabulous writer (5)

105. Having an effect on a workman (3)

106. Thankful to be taken over at work (4)

107. Not designed to keep off former workhouse (6, 4)

108. Foot runner in snow has brief mile to glide along (4)

109. May be Poe's a fabulous writer (5)

110. Having an effect on a workman (3)

111. Thankful to be taken over at work (4)

112. Not designed to keep off former workhouse (6, 4)

113. Foot runner in snow has brief mile to glide along (4)

114. May be Poe's a fabulous writer (5)

115. Having an effect on a workman (3)

116. Thankful to be taken over at work (4)

117. Not designed to keep off former workhouse (6, 4)

118. Foot runner in snow has brief mile to glide along (4)

119. May be Poe's a fabulous writer (5)

120. Having an effect on a workman (3)



INTERNATIONAL FINANCIAL AND COMPANY NEWS

Semperit expects to stay in red this year

By Our Financial Staff  
SEMPERIT, the Austrian rubber company, turned in a sharply increased loss last year and expects a similar deficit for 1978 as earnings continue to suffer from severe price competition in Europe.  
Losses totalled Sch 99m (\$6m) after the transfer of Sch 23m from reserves, an increase of nearly 36 per cent from the Sch 73m recorded in 1976, when the company made a slight recovery.  
Turnover was up slightly at Sch 53m compared with Sch 50m, with a rise at group level of around 3 per cent to Sch 8.2bn.  
Semperit is controlled by Creditanstalt Bankverein, Austria's leading bank. With treasury for over well over half of sales, it began to suffer about three years ago from reduced demand caused by the switch to radial and speed limits. It increased imports also hit Semperit's business.

Granges to sell shipping side as losses mount

BY JOHN WALKER  
GRANGES, the Swedish steel, shipping and engineering group, told shareholders at the annual meeting that plans to divest the loss-making shipping division were in hand. Earlier hopes of saving the shipping sector have been dashed. Both the chairman Hans Werthen and the managing director Bo Abrahamsson said that they had hoped to keep this sector going but it was now out of the question.  
For 1977 the group's losses have amounted to Kr 891m on an accumulated loss of Kr 1bn (\$215m) for the past two years (But Mr. Abrahamsson said that he hoped the loss would be heavily reduced this year and that the company could well return to profit in 1978).  
During 1977 Granges disposed of its mining and steel operations to the semi-state owned steel company SSAB, closed down its offshore engineering operations and cut back its civil engineering operations. The closure of the shipping division will mean redundancy for about 400 crew, and some 50 administrative jobs at the company's headquarters.

Dollar slide underpins bond revival in Germany

By Jeffrey Brown  
WITH this week's consumer price statistics putting double figure inflation rates in the U.S. beyond doubt, international money has been flooding back into the hard currency centres of Europe.  
In the domestic bond market in West Germany this has been reflected in some very sharp price movements over the past few days, notably among longer maturities with ten year bonds rising by more than two points on average.  
The Bundesbank has been re-evaluating its support policy, an selling substantial amounts of stock—in the first two days of the week central bank purchases totalled DM 178m but subsequent sales have swamped this figure—and dealers are once again beginning to speculate on the possibility of a revival of the new issue market. Much depends on the success or otherwise of this week's tender in Kassenobligationen (three and four year paper which raised DM 1.7bn when last issued in March) which closed for subscription at noon yesterday.

Flick in \$100m. deal

NEW YORK, June 2.  
Flick's financial resources by increasing the total stockholders' equity to about \$350m. He added that U.S. Flick would now be in a good position to achieve its growth objectives.  
The company's first quarter results this year were hit by delays in implementing several pipeline and energy projects which would have been purchased by its air and water pollution control equipment. At 11 cents a share, earnings were only one-third of last year's first quarter. For 1977 as a whole, U.S. Flick returned a net profit of \$13.9m on sales of \$423.7m.  
However, the company's prospects have been improved by its recent tender offer which raised its stake in Filtril, a leading producer of catalysis, from 50.7 per cent to around 94 per cent. Filtril had net profits in 1977 of \$8.1m on sales of \$89m.  
Adrian Dicks writes from Bonn: A spokesman for the Flick group in Düsseldorf this evening described U.S. Flick as one of the most progressive and technologically advanced engineering companies in the world. Some of its interests in the fields of services to the energy industry, chemicals, water treatment and purification and pollution control would be complementary to those of the Flick companies.  
With a turnover of DM 7.2bn in 1976, Flick's principal interests are in the foundries and mechanical engineering industries, chemicals, paper and board, and plant construction. Its major subsidiaries in West Germany are Buderus/Krauss Maffei, Feldmühle and Dynamit-Nobel.  
Flick's U.S. Filters deal is its second large investment in a major American company. In the first quarter of 1975 it acquired 12 per cent of W. R. Grace, the chemicals group, to become the biggest single shareholder.  
The DM 2bn which Flick received from the sale of its 29 per cent stake in Daimler-Benz in early 1975 must be reinvested by the end of this year in projects approved by the West German Ministry of Economics, if Flick is to avoid paying capital gains tax on it.  
Including its move into U.S. Filters and its recent acquisition of 75 per cent of Versuchs- und Holding der Deutschen Industrie, which in turn owns 51 per cent of the Gerling insurance group, Flick now appears to have invested rather more than DM 750m in U.S. ventures which would qualify for a tax break.  
Despite speculation in Germany that Flick is in a hurry to find further acquisitions for the DM 1.2bn cash which it is still believed to have in hand, the private company's spokesmen emphasised that it remains primarily interested in finding attractive prospects with promise for the future. "No one is forcing us, and we do not feel under pressure of time," the Flick spokesman told the Financial Times.

No payment at Losinger

By John Wicks  
ZURICH, June 2.  
THE LEADING Swiss construction company, Losinger AG, of Bern, recommends an omission of dividend for 1977. This follows a cut in dividend per share to SwFr 25 last year after distribution of SwFr 40 for 1975 and SwFr 60 for 1974. Net profits, which had dropped from SwFr 2.55m in 1975 to SwFr 505,000 in 1976 for the parent undertaking, declined further to only SwFr 39,618.  
Group turnover was almost at 1976 levels, however, reaching SwFr 490m (SwFr 496m), though this was still the lowest level in the past five years. However, the foreign share of turnover attained a record SwFr 185m within this total.

Hansa dividend to be axed

By Guy Hawtin  
FRANKFURT, June 2.  
BREITENBURG shipping line, Deutsche Dampfschiffahrts-Gesellschaft "Hansa" today reported that it had been hard hit by the heavy over-capacity in the world shipping market last year and would be passing its dividend—for the first time since 1956.  
Both the charter market and line services were severely affected. Freight rates were pushed heavily downwards, said the group's report.  
While news of the group's poor trading performance came as no surprise, the management's statement gave shareholders few crumbs of comfort. No signs of an end to the state of surplus in the market could be seen, it said. There was major improvement in the transport sector in sight.  
The year was "thoroughly unsatisfactory." Good results from subsidiaries, including ship sales, had served to offset a DM33m loss from the shipping business.  
Net profits slumped from the previous year's DM6.3m to just DM374,000. Overall sales increased slightly from DM475.6m to DM508.6m (\$343m). Capital investment increased from DM 143.3m to DM245.2m, while depreciation rose from DM40.7m to DM44.8m.

Rapid growth in Swiss foreign bank assets

BY JOHN WICKS  
ZURICH, June 2.  
THE expansion of the Euro-money market has taken place in financial centres like London and Luxembourg rather than in Switzerland in recent years to judge by the rapid growth of foreign bank assets. This was stated by Dr. Eric Gasser, chairman of the Association of Foreign Banks in Switzerland, at a Zurich Press conference.  
Gasser added that all signs pointed to a continuation of this pattern.  
In the past five years the share of foreign-controlled banks and foreign banks' branches in Switzerland has stabilised at about 10 per cent of the country's total bank assets. The number of foreign banks, including branches, has also remained almost unchanged at rather below one hundred.  
Gasser attributed what he called the "relative stagnation" of foreign banking activities in Switzerland to restrictive reciprocity regulations, high equity requirements, increasing restrictions on international banking by the Swiss authorities and the difficulty to obtain work permits for foreigners.  
The combined assets of foreign banks in Switzerland reached some SwFr 36.7bn in 1977, a rise of 7.3 per cent over the previous year. There is a much greater relative importance of fiduciary business, however, some SwFr 25.1bn of last year's total Swiss fiduciary business of SwFr 58bn having been accounted for by foreign banks.  
Profitability of foreign banks in Switzerland was "generally satisfactory." In 1977, Gasser told journalists, though profit prospects for the current year were less certain.

CBS response to suit

BY DAVID LASCELLES  
NEW YORK, June 2.  
COLUMBIA BROADCASTING System, one of the country's largest broadcasting and publishing companies, has been charged by the Justice Department with violating anti-trust laws through its acquisition last year of a large paperback publisher.  
In a suit filed yesterday, the Justice Department, wants CBS to divest itself of Fawcett Publications on the grounds that the acquisition eliminated competition for the sale of two companies in the highly competitive mass publications market.  
CBS already owned Popular Library Books, the 11th largest mass market publisher which has sales of \$10m, when it bought Fawcett last year for \$50m. Fawcett then ranked fifth in the market with sales of \$37m, and brought CBS total market share to about 12 per cent.  
CBS reacted sharply to the suit, saying that it was both unjustified and surprising in view of the fact that the Justice Department had been notified of the proposed acquisition long before it was through, and had said it had no objection.  
FIRST MISSISSIPPI Corporation said it cannot explain why its stock price has risen on the NYSE, reports AP-DJ from Jackson.  
"There's nothing," said Mr. James Lange, secretary and treasurer of the company. Mr. Lange said the company

DID YOU MISS THE BOAT?

COPPER prices have risen over £150 in the last three months with many forecasters now suggesting £1,000 by the year end.  
While this must remain no more than a possibility one thing is certain—commodity price movements will continue to present excellent opportunities to the well-informed futures trader prepared to take the high risks which undoubtedly exist.  
The first step is to secure the services of a reliable broker, one who is prepared to make firm but reasoned price predictions at all times. C.C.S.T. is that broker and whether you wish to open an account or simply receive the next two issues of our weekly Market Report free of charge, please phone 01-460 6841 or write to:  
**C.C.S.T. Commodities Ltd**  
Walsingham House, 35 Seething Lane, London EC3N 4AH.

**The First Viking Commodity Trusts**  
Commodity Offer 39.8  
Trust BID 37.8  
Double Offer 84.0  
Option Trust BID 79.0  
Commodity & General Management Co Ltd  
8 St George's Street  
Douglas Isle of Man  
Tel: 0624 408

**WARDGATE COMMODITY FUND**  
at 31st May 1978 (11.15.11.15.15.15)  
WCF MANAGERS LIMITED  
P.O. Box 73  
100 Victoria Road, London W14 9JF  
0203 2051/3  
Next dealings 30th June 1978

Pan Malaysia Cement setback

BY WONG SULONG  
KUALA LUMPUR, June 2.  
fixed government controlled price for cement.  
The only bright spot came from its shipping and trading associate Twincem, which increased profits by 18 per cent to 3.1m ringgits.  
Ganda, a Malaysian group of companies, with oil palm interests in Perak State, secured loans and credit facilities totalling 22.3m ringgits from five Malaysian banks. The loans would be used to finance the building of an oil palm refinery, and to repay loans which the Malaysian business was hit by higher production costs, and a

**COCA**  
The build-up of nearby cocoa in Brazil continued to influence sentiment and prevent any buyers' revival. CUI and Duffin reported.  
Cocoa Yesterday's Close Business Done  
July 1978 1898.8-88.0 -17.0 1782.0-1078  
Sept 1978 1898.8-88.0 -17.0 1898.8-88.0  
Nov 1978 1898.8-88.0 -17.0 1898.8-88.0  
Dec 1978 1898.8-88.0 -17.0 1898.8-88.0  
Jan 1979 1898.8-88.0 -17.0 1898.8-88.0  
Feb 1979 1898.8-88.0 -17.0 1898.8-88.0  
Mar 1979 1898.8-88.0 -17.0 1898.8-88.0  
Apr 1979 1898.8-88.0 -17.0 1898.8-88.0  
May 1979 1898.8-88.0 -17.0 1898.8-88.0  
Jun 1979 1898.8-88.0 -17.0 1898.8-88.0  
Jul 1979 1898.8-88.0 -17.0 1898.8-88.0  
Aug 1979 1898.8-88.0 -17.0 1898.8-88.0  
Sep 1979 1898.8-88.0 -17.0 1898.8-88.0  
Oct 1979 1898.8-88.0 -17.0 1898.8-88.0  
Nov 1979 1898.8-88.0 -17.0 1898.8-88.0  
Dec 1979 1898.8-88.0 -17.0 1898.8-88.0  
Jan 1980 1898.8-88.0 -17.0 1898.8-88.0  
Feb 1980 1898.8-88.0 -17.0 1898.8-88.0  
Mar 1980 1898.8-88.0 -17.0 1898.8-88.0  
Apr 1980 1898.8-88.0 -17.0 1898.8-88.0  
May 1980 1898.8-88.0 -17.0 1898.8-88.0  
Jun 1980 1898.8-88.0 -17.0 1898.8-88.0  
Jul 1980 1898.8-88.0 -17.0 1898.8-88.0  
Aug 1980 1898.8-88.0 -17.0 1898.8-88.0  
Sep 1980 1898.8-88.0 -17.0 1898.8-88.0  
Oct 1980 1898.8-88.0 -17.0 1898.8-88.0  
Nov 1980 1898.8-88.0 -17.0 1898.8-88.0  
Dec 1980 1898.8-88.0 -17.0 1898.8-88.0  
Jan 1981 1898.8-88.0 -17.0 1898.8-88.0  
Feb 1981 1898.8-88.0 -17.0 1898.8-88.0  
Mar 1981 1898.8-88.0 -17.0 1898.8-88.0  
Apr 1981 1898.8-88.0 -17.0 1898.8-88.0  
May 1981 1898.8-88.0 -17.0 1898.8-88.0  
Jun 1981 1898.8-88.0 -17.0 1898.8-88.0  
Jul 1981 1898.8-88.0 -17.0 1898.8-88.0  
Aug 1981 1898.8-88.0 -17.0 1898.8-88.0  
Sep 1981 1898.8-88.0 -17.0 1898.8-88.0  
Oct 1981 1898.8-88.0 -17.0 1898.8-88.0  
Nov 1981 1898.8-88.0 -17.0 1898.8-88.0  
Dec 1981 1898.8-88.0 -17.0 1898.8-88.0  
Jan 1982 1898.8-88.0 -17.0 1898.8-88.0  
Feb 1982 1898.8-88.0 -17.0 1898.8-88.0  
Mar 1982 1898.8-88.0 -17.0 1898.8-88.0  
Apr 1982 1898.8-88.0 -17.0 1898.8-88.0  
May 1982 1898.8-88.0 -17.0 1898.8-88.0  
Jun 1982 1898.8-88.0 -17.0 1898.8-88.0  
Jul 1982 1898.8-88.0 -17.0 1898.8-88.0  
Aug 1982 1898.8-88.0 -17.0 1898.8-88.0  
Sep 1982 1898.8-88.0 -17.0 1898.8-88.0  
Oct 1982 1898.8-88.0 -17.0 1898.8-88.0  
Nov 1982 1898.8-88.0 -17.0 1898.8-88.0  
Dec 1982 1898.8-88.0 -17.0 1898.8-88.0  
Jan 1983 1898.8-88.0 -17.0 1898.8-88.0  
Feb 1983 1898.8-88.0 -17.0 1898.8-88.0  
Mar 1983 1898.8-88.0 -17.0 1898.8-88.0  
Apr 1983 1898.8-88.0 -17.0 1898.8-88.0  
May 1983 1898.8-88.0 -17.0 1898.8-88.0  
Jun 1983 1898.8-88.0 -17.0 1898.8-88.0  
Jul 1983 1898.8-88.0 -17.0 1898.8-88.0  
Aug 1983 1898.8-88.0 -17.0 1898.8-88.0  
Sep 1983 1898.8-88.0 -17.0 1898.8-88.0  
Oct 1983 1898.8-88.0 -17.0 1898.8-88.0  
Nov 1983 1898.8-88.0 -17.0 1898.8-88.0  
Dec 1983 1898.8-88.0 -17.0 1898.8-88.0  
Jan 1984 1898.8-88.0 -17.0 1898.8-88.0  
Feb 1984 1898.8-88.0 -17.0 1898.8-88.0  
Mar 1984 1898.8-88.0 -17.0 1898.8-88.0  
Apr 1984 1898.8-88.0 -17.0 1898.8-88.0  
May 1984 1898.8-88.0 -17.0 1898.8-88.0  
Jun 1984 1898.8-88.0 -17.0 1898.8-88.0  
Jul 1984 1898.8-88.0 -17.0 1898.8-88.0  
Aug 1984 1898.8-88.0 -17.0 1898.8-88.0  
Sep 1984 1898.8-88.0 -17.0 1898.8-88.0  
Oct 1984 1898.8-88.0 -17.0 1898.8-88.0  
Nov 1984 1898.8-88.0 -17.0 1898.8-88.0  
Dec 1984 1898.8-88.0 -17.0 1898.8-88.0  
Jan 1985 1898.8-88.0 -17.0 1898.8-88.0  
Feb 1985 1898.8-88.0 -17.0 1898.8-88.0  
Mar 1985 1898.8-88.0 -17.0 1898.8-88.0  
Apr 1985 1898.8-88.0 -17.0 1898.8-88.0  
May 1985 1898.8-88.0 -17.0 1898.8-88.0  
Jun 1985 1898.8-88.0 -17.0 1898.8-88.0  
Jul 1985 1898.8-88.0 -17.0 1898.8-88.0  
Aug 1985 1898.8-88.0 -17.0 1898.8-88.0  
Sep 1985 1898.8-88.0 -17.0 1898.8-88.0  
Oct 1985 1898.8-88.0 -17.0 1898.8-88.0  
Nov 1985 1898.8-88.0 -17.0 1898.8-88.0  
Dec 1985 1898.8-88.0 -17.0 1898.8-88.0  
Jan 1986 1898.8-88.0 -17.0 1898.8-88.0  
Feb 1986 1898.8-88.0 -17.0 1898.8-88.0  
Mar 1986 1898.8-88.0 -17.0 1898.8-88.0  
Apr 1986 1898.8-88.0 -17.0 1898.8-88.0  
May 1986 1898.8-88.0 -17.0 1898.8-88.0  
Jun 1986 1898.8-88.0 -17.0 1898.8-88.0  
Jul 1986 1898.8-88.0 -17.0 1898.8-88.0  
Aug 1986 1898.8-88.0 -17.0 1898.8-88.0  
Sep 1986 1898.8-88.0 -17.0 1898.8-88.0  
Oct 1986 1898.8-88.0 -17.0 1898.8-88.0  
Nov 1986 1898.8-88.0 -17.0 1898.8-88.0  
Dec 1986 1898.8-88.0 -17.0 1898.8-88.0  
Jan 1987 1898.8-88.0 -17.0 1898.8-88.0  
Feb 1987 1898.8-88.0 -17.0 1898.8-88.0  
Mar 1987 1898.8-88.0 -17.0 1898.8-88.0  
Apr 1987 1898.8-88.0 -17.0 1898.8-88.0  
May 1987 1898.8-88.0 -17.0 1898.8-88.0  
Jun 1987 1898.8-88.0 -17.0 1898.8-88.0  
Jul 1987 1898.8-88.0 -17.0 1898.8-88.0  
Aug 1987 1898.8-88.0 -17.0 1898.8-88.0  
Sep 1987 1898.8-88.0 -17.0 1898.8-88.0  
Oct 1987 1898.8-88.0 -17.0 1898.8-88.0  
Nov 1987 1898.8-88.0 -17.0 1898.8-88.0  
Dec 1987 1898.8-88.0 -17.0 1898.8-88.0  
Jan 1988 1898.8-88.0 -17.0 1898.8-88.0  
Feb 1988 1898.8-88.0 -17.0 1898.8-88.0  
Mar 1988 1898.8-88.0 -17.0 1898.8-88.0  
Apr 1988 1898.8-88.0 -17.0 1898.8-88.0  
May 1988 1898.8-88.0 -17.0 1898.8-88.0  
Jun 1988 1898.8-88.0 -17.0 1898.8-88.0  
Jul 1988 1898.8-88.0 -17.0 1898.8-88.0  
Aug 1988 1898.8-88.0 -17.0 1898.8-88.0  
Sep 1988 1898.8-88.0 -17.0 1898.8-88.0  
Oct 1988 1898.8-88.0 -17.0 1898.8-88.0  
Nov 1988 1898.8-88.0 -17.0 1898.8-88.0  
Dec 1988 1898.8-88.0 -17.0 1898.8-88.0  
Jan 1989 1898.8-88.0 -17.0 1898.8-88.0  
Feb 1989 1898.8-88.0 -17.0 1898.8-88.0  
Mar 1989 1898.8-88.0 -17.0 1898.8-88.0  
Apr 1989 1898.8-88.0 -17.0 1898.8-88.0  
May 1989 1898.8-88.0 -17.0 1898.8-88.0  
Jun 1989 1898.8-88.0 -17.0 1898.8-88.0  
Jul 1989 1898.8-88.0 -17.0 1898.8-88.0  
Aug 1989 1898.8-88.0 -17.0 1898.8-88.0  
Sep 1989 1898.8-88.0 -17.0 1898.8-88.0  
Oct 1989 1898.8-88.0 -17.0 1898.8-88.0  
Nov 1989 1898.8-88.0 -17.0 1898.8-88.0  
Dec 1989 1898.8-88.0 -17.0 1898.8-88.0  
Jan 1990 1898.8-88.0 -17.0 1898.8-88.0  
Feb 1990 1898.8-88.0 -17.0 1898.8-88.0  
Mar 1990 1898.8-88.0 -17.0 1898.8-88.0  
Apr 1990 1898.8-88.0 -17.0 1898.8-88.0  
May 1990 1898.8-88.0 -17.0 1898.8-88.0  
Jun 1990 1898.8-88.0 -17.0 1898.8-88.0  
Jul 1990 1898.8-88.0 -17.0 1898.8-88.0  
Aug 1990 1898.8-88.0 -17.0 1898.8-88.0  
Sep 1990 1898.8-88.0 -17.0 1898.8-88.0  
Oct 1990 1898.8-88.0 -17.0 1898.8-88.0  
Nov 1990 1898.8-88.0 -17.0 1898.8-88.0  
Dec 1990 1898.8-88.0 -17.0 1898.8-88.0  
Jan 1991 1898.8-88.0 -17.0 1898.8-88.0  
Feb 1991 1898.8-88.0 -17.0 1898.8-88.0  
Mar 1991 1898.8-88.0 -17.0 1898.8-88.0  
Apr 1991 1898.8-88.0 -17.0 1898.8-88.0  
May 1991 1898.8-88.0 -17.0 1898.8-88.0  
Jun 1991 1898.8-88.0 -17.0 1898.8-88.0  
Jul 1991 1898.8-88.0 -17.0 1898.8-88.0  
Aug 1991 1898.8-88.0 -17.0 1898.8-88.0  
Sep 1991 1898.8-88.0 -17.0 1898.8-88.0  
Oct 1991 1898.8-88.0 -17.0 1898.8-88.0  
Nov 1991 1898.8-88.0 -17.0 1898.8-88.0  
Dec 1991 1898.8-88.0 -17.0 1898.8-88.0  
Jan 1992 1898.8-88.0 -17.0 1898.8-88.0  
Feb 1992 1898.8-88.0 -17.0 1898.8-88.0  
Mar 1992 1898.8-88.0 -17.0 1898.8-88.0  
Apr 1992 1898.8-88.0 -17.0 1898.8-88.0  
May 1992 1898.8-88.0 -17.0 1898.8-88.0  
Jun 1992 1898.8-88.0 -17.0 1898.8-88.0  
Jul 1992 1898.8-88.0 -17.0 1898.8-88.0  
Aug 1992 1898.8-88.0 -17.0 1898.8-88.0  
Sep 1992 1898.8-88.0 -17.0 1898.8-88.0  
Oct 1992 1898.8-88.0 -17.0 1898.8-88.0  
Nov 1992 1898.8-88.0 -17.0 1898.8-88.0  
Dec 1992 1898.8-88.0 -17.0 1898.8-88.0  
Jan 1993 1898.8-88.0 -17.0 1898.8-88.0  
Feb 1993 1898.8-88.0 -17.0 1898.8-88.0  
Mar 1993 1898.8-88.0 -17.0 1898.8-88.0  
Apr 1993 1898.8-88.0 -17.0 1898.8-88.0  
May 1993 1898.8-88.0 -17.0 1898.8-88.0  
Jun 1993 1898.8-88.0 -17.0 1898.8-88.0  
Jul 1993 1898.8-88.0 -17.0 1898.8-88.0  
Aug 1993 1898.8-88.0 -17.0 1898.8-88.0  
Sep 1993 1898.8-88.0 -17.0 1898.8-88.0  
Oct 1993 1898.8-88.0 -17.0 1898.8-88.0  
Nov 1993 1898.8-88.0 -17.0 1898.8-88.0  
Dec 1993 1898.8-88.0 -17.0 1898.8-88.0  
Jan 1994 1898.8-88.0 -17.0 1898.8-88.0  
Feb 1994 1898.8-88.0 -17.0 1898.8-88.0  
Mar 1994 1898.8-88.0 -17.0 1898.8-88.0  
Apr 1994 1898.8-88.0 -17.0 1898.8-88.0  
May 1994 1898.8-88.0 -17.0 1898.8-88.0  
Jun 1994 1898.8-88.0 -17.0 1898.8-88.0  
Jul 1994 1898.8-88.0 -17.0 1898.8-88.0  
Aug 1994 1898.8-88.0 -17.0 1898.8-88.0  
Sep 1994 1898.8-88.0 -17.0 1898.8-88.0  
Oct 1994 1898.8-88.0 -17.0 1898.8-88.0  
Nov 1994 1898.8-88.0 -17.0 1898.8-88.0  
Dec 1994 1898.8-88.0 -17.0 1898.8-88.0  
Jan 1995 1898.8-88.0 -17.0 1898.8-88.0  
Feb 1995 1898.8-88.0 -17.0 1898.8-88.0  
Mar 1995 1898.8-88.0 -17.0 1898.8-88.0  
Apr 1995 1898.8-88.0 -17.0 1898.8-88.0  
May 1995 1898.8-88.0 -17.0 1898.8-88.0  
Jun 1995 1898.8-88.0 -17.0 1898.8-88.0  
Jul 1995 1898.8-88.0 -17.0 1898.8-88.0  
Aug 1995 1898.8-88.0 -17.0 1898.8-88.0  
Sep 1995 1898.8-88.0 -17.0 1898.8-88.0  
Oct 1995 1898.8-88.0 -17.0 1898.8-88.0  
Nov 1995 1898.8-88.0 -17.0 1898.8-88.0  
Dec 1995 1898.8-88.0 -17.0 1898.8-88.0  
Jan 1996 1898.8-88.0 -17.0 1898.8-88.0  
Feb 1996 1898.8-88.0 -17.0 1898.8-88.0  
Mar 1996 1898.8-88.0 -17.0 1898.8-88.0  
Apr 1996 1898.8-88.0 -17.0 1898.8-88.0  
May 1996 1898.8-88.0 -17.0 1898.8-88.0  
Jun 1996 1898.8-88.0 -17.0 1898.8-88.0  
Jul 1996 1898.8-88.0 -17.0 1898.8-88.0  
Aug 1996 1898.8-88.0 -17.0 1898.8-88.0  
Sep 1996 1898.8-88.0 -17.0 1898.8-88.0  
Oct 1996 1898.8-88.0 -17.0 1898.8-88.0  
Nov 1996 1898.8-88.0 -17.0 1898.8-88.0  
Dec 1996 1898.8-88.0 -17.0 1898.8-88.0  
Jan 1997 1898.8-88.0 -17.0 1898.8-88.0  
Feb 1997 1898.8-88.0 -17.0 1898.8-88.0  
Mar 1997 1898.8-88.0 -17.0 1898.8-88.0  
Apr 1997 1898.8-88.0 -17.0 1898.8-88.0  
May 1997 1898.8-88.0 -17.0 1898.8-88.0  
Jun 1997 1898.8-88.0 -17.0 1898.8-88.0  
Jul 1997 1898.8-88.0 -17.0 1898.8-88.0  
Aug 1997 1898.8-88.0 -17.0 1898.8-88.0  
Sep 1997 1898.8-88.0 -17.0 1898.8-88.0  
Oct 1997 1898.8-88.0 -17.0 1898.8-88.0  
Nov 1997 18







<p> <b>June 520</b>  <b>111:</b>  <b>112:</b>  <b>113:</b>  <b>114:</b>  <b>115:</b>  <b>116:</b>  <b>117:</b>  <b>118:</b>  <b>119:</b>  <b>120:</b>  <b>121:</b>  <b>122:</b>  <b>123:</b>  <b>124:</b>  <b>125:</b>  <b>126:</b>  <b>127:</b>  <b>128:</b>  <b>129:</b>  <b>130:</b>  <b>131:</b>  <b>132:</b>  <b>133:</b>  <b>134:</b>  <b>135:</b>  <b>136:</b>  <b>137:</b>  <b>138:</b>  <b>139:</b>  <b>140:</b>  <b>141:</b>  <b>142:</b>  <b>143:</b>  <b>144:</b>  <b>145:</b>  <b>146:</b>  <b>147:</b>  <b>148:</b>  <b>149:</b>  <b>150:</b>  <b>151:</b>  <b>152:</b>  <b>153:</b>  <b>154:</b>  <b>155:</b>  <b>156:</b>  <b>157:</b>  <b>158:</b>  <b>159:</b>  <b>160:</b>  <b>161:</b>  <b>162:</b>  <b>163:</b>  <b>164:</b>  <b>165:</b>  <b>166:</b>  <b>167:</b>  <b>168:</b>  <b>169:</b>  <b>170:</b>  <b>171:</b>  <b>172:</b>  <b>173:</b>  <b>174:</b>  <b>175:</b>  <b>176:</b>  <b>177:</b>  <b>178:</b>  <b>179:</b>  <b>180:</b>  <b>181:</b>  <b>182:</b>  <b>183:</b>  <b>184:</b>  <b>185:</b>  <b>186:</b>  <b>187:</b>  <b>188:</b>  <b>189:</b>  <b>190:</b>  <b>191:</b>  <b>192:</b>  <b>193:</b>  <b>194:</b>  <b>195:</b>  <b>196:</b>  <b>197:</b>  <b>198:</b>  <b>199:</b>  <b>200:</b>  <b>201:</b>  <b>202:</b>  <b>203:</b>  <b>204:</b>  <b>205:</b>  <b>206:</b>  <b>207:</b>  <b>208:</b>  <b>209:</b>  <b>210:</b>  <b>211:</b>  <b>212:</b>  <b>213:</b>  <b>214:</b>  <b>215:</b>  <b>216:</b>  <b>217:</b>  <b>218:</b>  <b>219:</b>  <b>220:</b>  <b>221:</b>  <b>222:</b>  <b>223:</b>  <b>224:</b>  <b>225:</b>  <b>226:</b>  <b>227:</b>  <b>228:</b>  <b>229:</b>  <b>230:</b>  <b>231:</b>  <b>232:</b>  <b>233:</b>  <b>234:</b>  <b>235:</b>  <b>236:</b>  <b>237:</b>  <b>238:</b>  <b>239:</b>  <b>240:</b>  <b>241:</b>  <b>242:</b>  <b>243:</b>  <b>244:</b>  <b>245:</b>  <b>246:</b>  <b>247:</b>  <b>248:</b>  <b>249:</b>  <b>250:</b>  <b>251:</b>  <b>252:</b>  <b>253:</b>  <b>254:</b>  <b>255:</b>  <b>256:</b>  <b>257:</b>  <b>258:</b>  <b>259:</b>  <b>260:</b>  <b>261:</b>  <b>262:</b>  <b>263:</b>  <b>264:</b>  <b>265:</b>  <b>266:</b>  <b>267:</b>  <b>268:</b>  <b>269:</b>  <b>270:</b>  <b>271:</b>  <b>272:</b>  <b>273:</b>  <b>274:</b>  <b>275:</b>  <b>276:</b>  <b>277:</b>  <b>278:</b>  <b>279:</b>  <b>280:</b>  <b>281:</b>  <b>282:</b>  <b>283:</b>  <b>284:</b>  <b>285:</b>  <b>286:</b>  <b>287:</b>  <b>288:</b>  <b>289:</b>  <b>290:</b>  <b>291:</b>  <b>292:</b>  <b>293:</b>  <b>294:</b>  <b>295:</b>  <b>296:</b>  <b>297:</b>  <b>298:</b>  <b>299:</b>  <b>300:</b>  <b>301:</b>  <b>302:</b>  <b>303:</b>  <b>304:</b>  <b>305:</b>  <b>306:</b>  <b>307:</b>  <b>308:</b>  <b>309:</b>  <b>310:</b>  <b>311:</b>  <b>312:</b>  <b>313:</b>  <b>314:</b>  <b>315:</b>  <b>316:</b>  <b>317:</b>  <b>318:</b>  <b>319:</b>  <b>320:</b>  <b>321:</b>  <b>322:</b>  <b>323:</b>  <b>324:</b>  <b>325:</b>  <b>326:</b>  <b>327:</b>  <b>328:</b>  <b>329:</b>  <b>330:</b>  <b>331:</b>  <b>332:</b>  <b>333:</b>  <b>334:</b>  <b>335:</b>  <b>336:</b>  <b>337:</b>  <b>338:</b>  <b>339:</b>  <b>340:</b>  <b>341:</b>  <b>342:</b>  <b>343:</b>  <b>344:</b>  <b>345:</b>  <b>346:</b>  <b>347:</b>  <b>348:</b>  <b>349:</b>  <b>350:</b>  <b>351:</b>  <b>352:</b>  <b>353:</b>  <b>354:</b>  <b>355:</b>  <b>356:</b>  <b>357:</b>  <b>358:</b>  <b>359:</b>  <b>360:</b>  <b>361:</b>  <b>362:</b>  <b>363:</b>  <b>364:</b>  <b>365:</b>  <b>366:</b>  <b>367:</b>  <b>368:</b>  <b>369:</b>  <b>370:</b>  <b>371:</b>  <b>372:</b>  <b>373:</b>  <b>374:</b>  <b>375:</b>  <b>376:</b>  <b>377:</b>  <b>378:</b>  <b>379:</b>  <b>380:</b>  <b>381:</b>  <b>382:</b>  <b>383:</b>  <b>384:</b>  <b>385:</b>  <b>386:</b>  <b>387:</b>  <b>388:</b>  <b>389:</b>  <b>390:</b>  <b>391:</b>  <b>392:</b>  <b>393:</b>  <b>394:</b>  <b>395:</b>  <b>396:</b>  <b>397:</b>  <b>398:</b>  <b>399:</b>  <b>400:</b>  <b>401:</b>  <b>402:</b>  <b>403:</b>  <b>404:</b>  <b>405:</b>  <b>406:</b>  <b>407:</b>  <b>408:</b>  <b>409:</b>  <b>410:</b>  <b>411:</b>  <b>412:</b>  <b>413:</b>  <b>414:</b>  <b>415:</b>  <b>416:</b>  <b>417:</b>  <b>418:</b>  <b>419:</b>  <b>420:</b>  <b>421:</b>  <b>422:</b>  <b>423:</b>  <b>424:</b>  <b>425:</b>  <b>426:</b>  <b>427:</b>  <b>428:</b>  <b>429:</b>  <b>430:</b>  <b>431:</b>  <b>432:</b>  <b>433:</b>  <b>434:</b>  <b>435:</b>  <b>436:</b>  <b>437:</b>  <b>438:</b>  <b>439:</b>  <b>440:</b>  <b>441:</b>  <b>442:</b>  <b>443:</b>  <b>444:</b>  <b>445:</b>  <b>446:</b>  <b>447:</b>  <b>448:</b>  <b>449:</b>  <b>450:</b>  <b>451:</b>  <b>452:</b>  <b>453:</b>  <b>454:</b>  <b>455:</b>  <b>456:</b>  <b>457:</b>  <b>458:</b>  <b>459:</b>  <b>460:</b>  <b>461:</b>  <b>462:</b>  <b>463:</b>  <b>464:</b>  <b>465:</b>  <b>466:</b>  <b>467:</b>  <b>468:</b>  <b>469:</b>  <b>470:</b>  <b>471:</b>  <b>472:</b>  <b>473:</b>  <b>474:</b>  <b>475:</b>  <b>476:</b>  <b>477:</b>  <b>478:</b></p>
---

Bank	Market Rates

	June 8	Rate	Day's Spread	Closes
New York...	7	1.0900-1.275	1.922-1.9235	
Montreal...	8 1/2	0.0425-1.080	1.772-1.0580	
London...	8 1/2	4.15-4.24	4.05-4.07	
Amsterdam...	5 1/2	5.40-58.95	54.40-58.95	
Copenhagen...	9	10.23-10.235	10.24-10.25	
Frankfurt...	8	5.75-5.82	5.74-5.80	
London...	8 1/2	82.40-82.45	82.30-82.37	
Madrid...	8	145.80-145.95	145.85-145.95	
Alban...	11 1/2	1.74-1.745	1.742-1.747	
Paris...	8 1/2	3.51-3.52	3.51-3.52	
Geneva...	8	8.54-8.53	8.55-8.54	
Stockholm...	7	8.41-8.42	8.41-8.42	
Tokyo...	3 1/2	27.50-27.45	27.50-27.45	
Barbados...	5 1/2	27.50-27.45	27.50-27.45	
Zurich...	1	6.2-5.4	5.42-5.43	
Frankfurt close June 7...		1.81-1.82	1.81-1.82	
Zurich close 3.44-3.44.				
Notes given for convertible bonds.				
Financial				39.50-37.5

London	Amst'rdam	Zurich
--------	-----------	--------

[illegible]







## OFFSHORE AND OVERSEAS FUNDS

[illegible]

For further details please ring  
01-248 8000 Extn 266

100







**MINES—Continued**

**AUSTRALIAN**

**TINS**

## COPPER

## NOTES

and Lows marked thus have been adjusted.

allows for conversion of shares not now  
is or ranking only for restricted divid  
does not allow for shares which may a

- Tax free up to 3
- Dividend
- Dividend and yield

TREASURY BILL RATE STAYS UNCHANGED IN

## REGIONAL MARKETS

Sp.	24	.....	Clondalkin.....
E1	150	-5	Concrete Prods.
			Heaton (Hdgs.)

### 6-month Call Rates

10	"Mams"	7	Samuel F.
8	Mrs. & Spncr	10.	Town & c
15	Midland Bank	25	

SECURITIES AND EXCHANGE REPORT 24

[illegible]



